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United States
Department of
Agriculture

Economic
Research
Service

TFS-229

November 1983

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Fruit

OUTLOOK & SITUATION

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Special Article - A Brief Overview of the U.S. Pecan Industry 28

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Approved by the World Agricultural Outlook Board. Sumary released November 9, 1983. The next summary of the **Fruit Outlook and Situation** is scheduled for release March 1984, and appears on several computer networks by 3:30 ET the day of its release. The full text and tables are also released electronically, often several days before the report itself is published. For information on providers of electronic access to Outlook and Situation reports, write EMS/USDA, Rm. 440 GHI, Washington, D.C. 20250. Telephone (202) 382-9754.

The **Fruit Outlook and Situation** is published in March, July, September, and November. Annual subscription: $8 U.S., $10 foreign. Order from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Make checks payable to the Superintendent of Documents.

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Summary

U.S. fruit supplies this winter should be adequate to meet market demand. Based on conditions around October 1, crops of apples and oranges are expected to be up slightly from last year, and supplies of winter pears and grapefruit will be up substantially. Supplies of processed citrus products will also be ample. Supplies of processed noncitrus fruit, however, will be mixed—with canned items tight, and dried and frozen items adequate. Rising demand accompanying with the continued economic recovery, may strengthen grower prices for most fruits.

The 1983/84 citrus crop, excluding California "other areas" grapefruit, is forecast at 14 million tons, almost 5 percent more than last year. Larger crops are indicated for grapefruits, lemons, oranges, and tangerines, and smaller crops for limes, tangelos, and Temples. The total orange outturn is forecast at 223 million boxes, up slightly from last year.

Both farm and retail prices for fresh oranges have been well below a year ago, but should strengthen because of a sharply smaller supply of California navels. Prospects through the winter point to grower prices staying at about last year's, which should advance retail prices from their current low.

This season's grapefruit production (excluding California "other areas") is estimated at 64 million boxes, up 11 percent than last season. Crops in Florida, Texas, and California's "desert area," are projected to be larger, while the Arizona crop is likely to be less than last season. The improving U.S. economy is expected to boost demand for fresh grapefruit and processed products and continued economic expansion abroad should keep export markets looking bright. Rising demand will help moderate any price declines a larger crop might spur.

The Arizona-California lemon harvest is forecast at 28 million boxes, 12 percent more than during 1982/83. California's crop is up 8 percent, and Arizona's up 29 percent. While f.o.b. prices for fresh lemons have been averaging moderately higher than a year earlier, they are expected to decline this winter when larger supplies become available, and to average below last year's season average.

The total pack of frozen concentrated orange juice (FCOJ) in 1983/84 is expected to exceed last season, with the larger Florida crop and a relatively high juice yield. The first forecast of the new season's juice yield is set 1.43 gallons a box, at 42.0 degree brix equivalent, compared with 1.48 for last season. Even with prospects for smaller carryin stocks, the total supply of FCOJ will be up from last season if imports remain relatively large. Demand should rise with the improving economy, keeping prices steady.

Fresh noncitrus items should be in adequate supply this fall and winter, and prices should not rise appreciably. The 1983 noncitrus crop, including major tree fruits, grapes, and cranberries, is forecast at 12.2 million tons, 13 percent below last year. The apple crop is expected to be 2 percent larger, while the grape crop will fall by 25 percent. The total pear crop is 1 percent less than in 1982, but the winter pear production is up 9 percent.

This season's pack of most canned fruit, particularly peaches, pears, and fruit cocktail, will be less than a year ago. The smaller pack combined with the depleted stocks, will tighten supplies, while the economy may boost demand somewhat. Prices are expected to strengthen, as reflected by recent hikes by packers.

The 1983 pack of frozen fruit and berries will vary. Supplies of frozen tart cherries will be tight, reflecting a reduced pack, and prices will rise significantly above last year's unusually low level. Supplies of frozen strawberries will be adequate because of a relatively larger pack and increased imports from Mexico. Even though demand for strawberries should rise somewhat, prices will probably advance only slightly. Supplies of raisins are likely to be heavy because of larger carryin stocks and significantly increased production. Dried prunes will be in sufficient supply, and steady prices are expected.

Supplies of tree nuts will be adequate during 1983/84, despite sharply reduced crops of almonds and walnuts. This season's filbert crop is also expected to be considerably smaller, but the pecan crop is likely to be sharply larger. The smaller crop and increased demand should result in almond prices above last season.

GENERAL PRICE OUTLOOK

The index of prices received by growers for fresh and processing fruit during the first three quarters this year have averaged 28 percent below last year, primarily reflecting decreased apple and orange prices. As prices of grapefruit, pears, and strawberries advanced, the October index rose to 114 (1977 =100), up almost 8 percent from September, but still 41 percent below a year earlier. The depressed orange prices were chiefly responsible. However, orange prices may strengthen somewhat from the current levels because of sharply smaller supplies of California navel oranges. With a relatively large crop, apple prices are expected to decline when the larger supplies become available. Nevertheless, the index of prices received by growers for fresh and processing fruits through this winter are likely to average below a year ago.

Producer prices of most processed fruit have been slightly higher than a year earlier. The smaller pack and depleted stocks, particularly canned peaches, pears, and fruit cocktail, will further strengthen prices in the months ahead. The Bureau of Labor Statistics (BLS) September producer price index for canned fruit was 254.5 (1967 =100), 4 percent higher than last year.

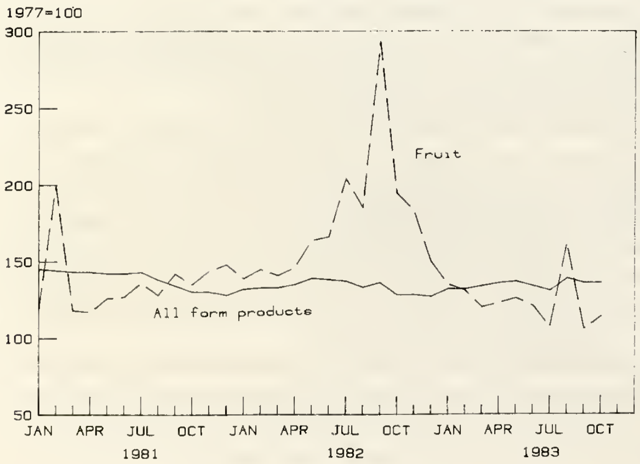
Frozen noncitrus supplies will vary this season. Sharply reduced supplies of frozen tart cherries will strengthen producer prices, while adequate supplies of frozen strawberries, because of a relatively large pack, will not raise prices appreciably, even though demand may increase somewhat with the continued economic recovery. Prices of dried fruit may remain steady because supplies of raisins and dried prunes will be adequate to ample during the 1983/84 marketing season. Demand for frozen concentrated orange juice (FCOJ) will probably improve, but increased supplies will keep prices steady.

Table 1.—Index of annual and quarterly prices received by growers for fresh and processing fruit, 1980-83

Year	Annual	1st	2nd	3rd	4th
			1977=100		
1980	124	125	131	117	122
1981	130	119	123	135	142
1982	175	142	159	227	176
1983		129	123	109	

SOURCE: Agricultural Prices, SRS, USDA.

Price Received by Producers, Fruit and All Farm Products



Because of a substantial decrease in prices of bananas and oranges, retail prices declined. The September BLS index of consumer prices for fresh fruit stood at 316.7 (1967 =100), down 4 percent from August, and 4 percent below a year earlier. With the sharply larger remaining supplies of California Valencias, prices of oranges dropped 6 percent from August. Reversing the strong gain after windstorm damages in Honduras and Guatemala, the September banana prices continued to fall, averaging 4 percent below August. The lower consumer price index (CPI) for fresh fruit has been mainly attributed to ample supplies of apples and oranges and the small rise in marketing costs. Prices are expected to decline further this fall when larger supplies of apples and citrus become available.

Table 2.—Annual and quarterly consumer price indexes for fresh fruit, 1980-83

Year	Annual	1st	2nd	3rd	4th
			1967=100		
1980	264	238	265	290	261
1981	278	256	276	302	279
1982	309	289	322	333	293
1983		274	301	324	

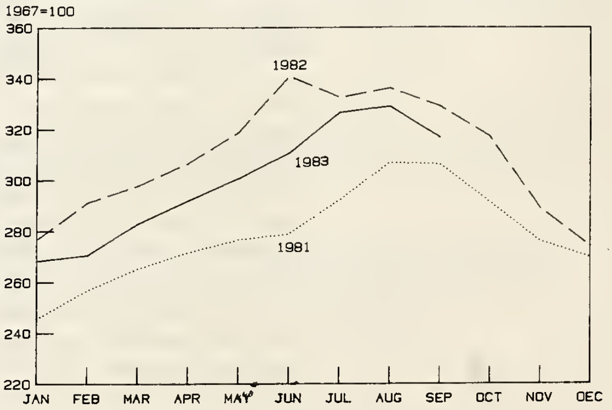
SOURCE: Bureau of Labor Statistics, U.S. Department of Labor.

Table 3.—Annual and quarterly producer price indexes for canned fruit, 1980-83

Year	Annual	1st	2nd	3rd	4th
			1967=100		
1980	232	227	231	233	238
1981	243	239	239	243	249
1982	251	254	253	250	245
1983		246	247	253	

SOURCE: Bureau of Labor Statistics, U.S. Department of Labor.

Fresh Fruit: BLS Consumer Price Index



Retail prices of processed fruit have averaged slightly above a year earlier, primarily reflecting increased prices for canned fruit items—particularly juice. So, in addition to the price hikes packers recently announced for canned fruit—peaches, pears, and fruit cocktail—retail prices of processed fruit are likely to remain firm in the months ahead.

FRESH CITRUS

The October 1 crop estimate for 1983/84, excluding California "other areas" grapefruit, indicates a citrus crop of 14 million tons, almost 5 percent more than last season and 17 percent above 1981/82. Larger crops are estimated for grapefruits, lemons, oranges, and tangerines, while smaller crops are indicated for limes, tangelos, and Temples.

Oranges

Slightly Larger Crop Expected

The first forecast for the 1983/84 orange crop is 223 million boxes, up slightly from last season, but 26 percent above 1981/82. The increase is entirely attributed to a sharply increased crop in Florida. The forecast for production of all oranges in Florida is 168 million boxes, 20 percent above last season. Production of early and midseason varieties at 94 million boxes, is 34 percent larger, while that of Valencias is projected to total 74 million boxes, 7 percent more. At 46 million boxes, the California crop is 37 percent less than last season, but 10 percent above 1981/82. However, very large fruit sizes are expected in California. All orange production in Texas is estimated at 5.3 million boxes, down 7 percent. Arizona growers expect to harvest 3.2 million boxes, 16 percent below last season.

Market Prospects Improve

Both farm and retail prices for fresh oranges have been well below a year earlier. Sharply larger remaining supplies of California Valencias have depressed U.S. on-tree returns for fresh Valencia oranges to $2.18 a box in October, compared with $22.42 a year ago. However, fresh orange prices should strengthen because of the sharply reduced supplies of California navel oranges. Prospects through the winter point to average grower prices near last year's. Consequently, retail prices will also advance from their current low.

U.S. grower prices for fresh and processing oranges during 1982/83 averaged $4.86 a box (equivalent on-tree returns), compared with $4.94 a year earlier. The lower price was caused by the sharply reduced prices of fresh oranges in Arizona and California. However, because of the larger crop, the total value of orange production during the past season was estimated at $1.46 billion (equivalent packinghouse door returns), up 25 percent from 1981/82.

Exports Up

Because of lower prices, exports of U.S. oranges this season have been well above a year ago. Through September, U.S. exports of fresh oranges totaled 433,716 metric tons, up 24 percent from the previous season. The increases were recorded for all major importing countries with the European markets recording nearly a sevenfold increase. Canada, our leading customer, also has purchased significantly more U.S. oranges. Shipments to Hong Kong also showed good gain, but Japan recorded only small increases. With the sharply reduced output of California oranges and prospects for higher prices, U.S. exports of fresh oranges will likely diminish during the coming year.

Grapefruit

Crop Increases Moderately

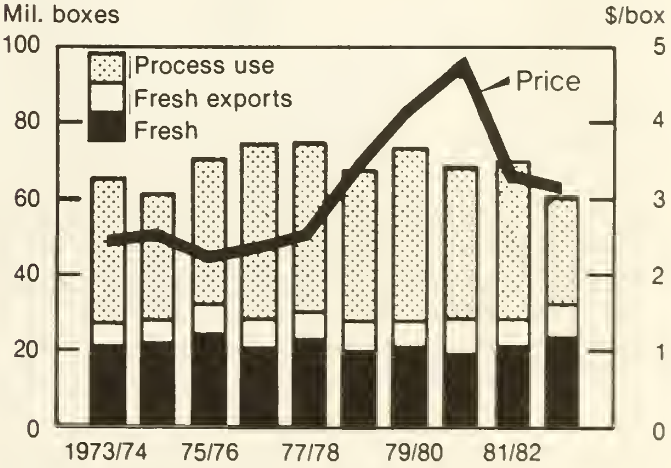
October 1 prospects for 1983/84 grapefruit production (including, for California, only desert valley fruit) point to a crop of 63.9 million boxes, 11 percent more than last season, but 6 percent below the 1981/82 crop. Larger crops are indicated for all producing areas except Arizona.

Florida's grapefruit forecast of 46 million boxes is 17 percent more than last season. Texas growers expect to harvest 11.5 million boxes, 3 percent more than last season. California's desert area crop is projected at 4.2 million boxes, 2 percent larger. Only Arizona growers are likely to harvest a smaller crop, which is forecast to be down 19 percent.

Market Prospects Favorable

Florida's grapefruit crop is maturing later than normal this year, and shipments from Florida were well below last year. Consequently, f.o.b. prices opened sharply higher than a year ago, but are expected to fall when increased supplies become available. The fresh market demand for grapefruit is likely to grow. Carryover stocks of most processed grapefruit products are down substantially, so processor demand is expected to be bright this season. In addition, demand for processed products is likely to rise with the improving economy. Thus, even with a larger crop, increased demand will moderate any price declines. The 1982/83 season-average price for grapefruit for all uses was $1.87 a box, compared with

U.S. Grapefruit Production, Use, and Prices



Price-season average packinghouse-door returns.
Year beginning September.

USDA

Neg. ERS 162-83(10)

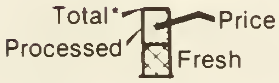
Table 4.—Citrus fruit: Production, 1981/82, 1982/83, and indicated 1983/84[1]

Crop and State	Boxes			Ton equivalent		
	Used		Indicated	Used		Indicated
	1983/84	1983/84	1981/82	1982/83	1981/82	1982/83
	1,000 boxes[2]			*1,000 short tons*		
Oranges:						
Early, midseason, and Navel varieties[3]:						
California	26,500	40,200	27,000	994	1,508	1,012
Florida	74,000	70,200	94,000	3,330	3,159	4,230
Texas	3,610	3,590	3,500	153	152	149
Arizona	900	1,050	900	34	39	34
Total	105,010	115,040	125,400	4,511	4,858	5,425
Valencias:						
California	15,400	33,000	19,000	578	1,238	713
Florida	51,800	69,300	74,000	2,331	3,118	3,330
Texas	2,330	2,090	1,800	99	89	77
Arizona	2,150	2,750	2,300	81	103	86
Total	71,680	107,140	97,100	3,089	4,548	4,206
All oranges:						
California	41,900	73,200	46,000	1,572	2,746	1,725
Florida	125,800	139,500	168,000	5,661	6,277	7,560
Texas	5,940	5,680	5,300	252	241	226
Arizona	3,050	3,800	3,200	115	142	120
Total oranges	176,690	222,180	222,500	7,600	9,406	9,631
Grapefruit:						
Florida all	48,100	39,400	46,000	2,044	1,674	1,955
Seedless	42,100	34,600	40,000	1,789	1,470	1,700
Pink	14,800	12,800	14,000	629	544	595
White	27,300	21,800	26,000	1,160	926	1,105
Other	6,000	4,800	6,000	255	204	255
Texas	13,900	11,200	11,500	556	448	460
Arizona	2,400	2,700	2,200	77	87	70
California[4]	6,000	7,300	—	196	238	—
Desert Valleys	3,400	4,100	4,200	109	131	134
Other areas	2,600	3,200	(4)	87	107	(4)
Total grapefruit	70,400	60,600	—	2,873	2,447	—
Lemons:						
California	18,500	19,900	21,500	703	756	817
Arizona	6,300	5,050	6,500	239	191	247
Total lemons	24,800	24,950	28,000	942	947	1,064
Limes:						
Florida	1,300	1,700	1,500	52	68	60
Tangelos:						
Florida	5,100	3,800	3,200	229	171	144
Tangerines:						
Florida	2,500	2,250	2,900	119	107	138
Arizona	750	880	1,000	28	33	38
California	1,730	2,120	1,900	65	80	71
Total tangerines	4,980	5,250	5,800	212	220	247
Temples:						
Florida	3,200	4,700	4,500	144	211	203
Total citrus	286,470	323,180	[5]329,400	12,052	13,470	[5]13,968

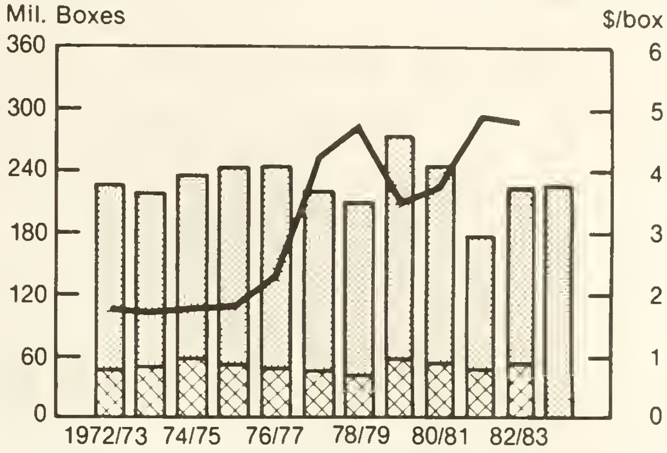
[1] The crop year begins with bloom of the first year shown and ends with completion of harvest the following year. [2] Net content of box varies. Approximated averages are as follows: Oranges-California and Arizona, 75 lbs.; Florida, 90 lbs.; Texas 85 lbs.; Grapefruit-California, Desert Valleys and Arizona, 64 lbs.; other California areas, 67, lbs.; Florida, 85 lbs.; Texas, 80 lbs.; Lemons, 76 lbs.; Limes 80 lbs.; Tangelos, 90 lbs.; Tangerines-California and Arizona, 75 lbs.; Florida, 95; and Temples 90 lbs. [3] Navel and miscellaneous varieties in California and Arizona. Early and midseason varieties in Florida and Texas, including small quantities of tangerines in Texas. [4] The first forecast for California grapefruit "other areas" will be as of April 1, 1984. [5] Excludes California grapefruit in "other areas."

SOURCES: Crop Production, SRS, USDA and Florida Crop and Livestock Reporting Service.

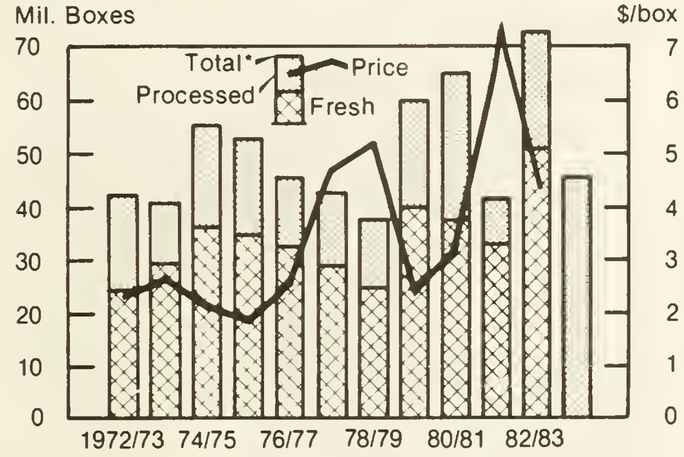
Oranges: Production, Utilization, and Prices



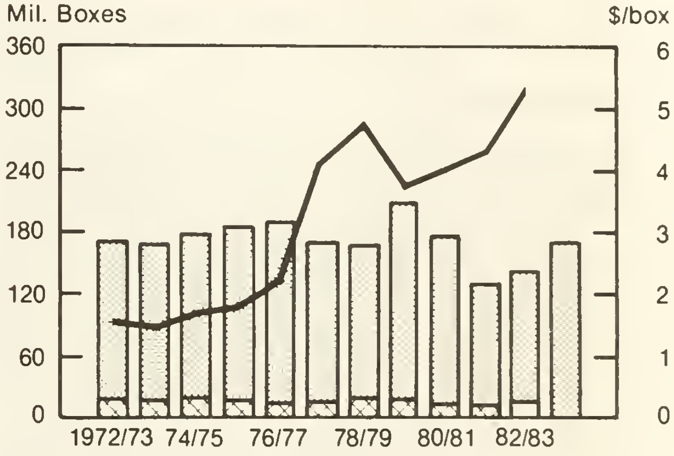
United States



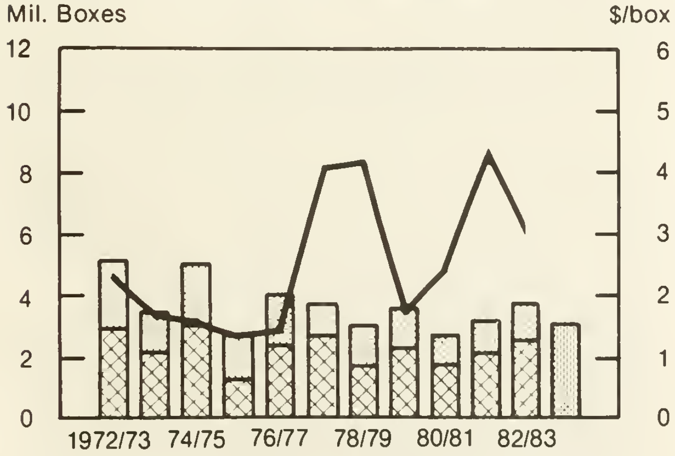
California



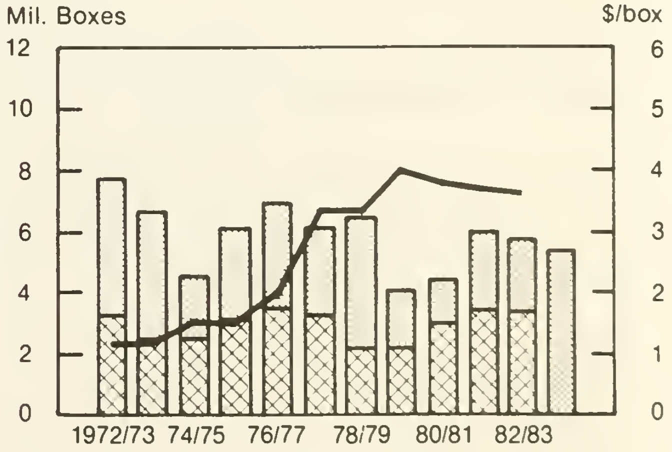
Florida



Arizona

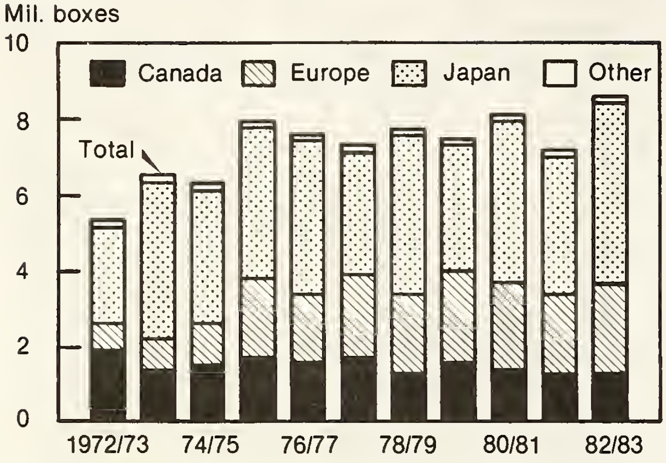


Texas



Year beginning October. *Production having value. Prices-on-tree returns. 1983/84 data October 1, indication of total production. Crop years.

U.S. Export of Fresh Grapefruit



Season beginning September.

USDA Neg. ERS 852-83(10)

$1.99 in 1981/82, with lower prices indicated for both fresh market and processing use.

Exports Strong

U.S. exports of fresh grapefruit increased significantly during 1982/83 (September-August), totaling 308,396 metric tons, up 18 percent from the preceding season. Increased shipments to Japan and Europe were chiefly responsible. Japan, the leading customer, continued to buy aggressively with an increase of 29 percent over a year ago. Shipments to Japan accounted for 56 percent of all U.S. exports, compared with 52 percent last season. Primarily reflecting the significantly larger purchases by France, exports to Europe were up 12 percent from a year ago. Shipments to Canada remained near the preceding season's level. However, exports of fresh grapefruit to Japan are likely to decline somewhat, while shipments to Western Europe are expected to continue to improve during 1983/84.

Lemons

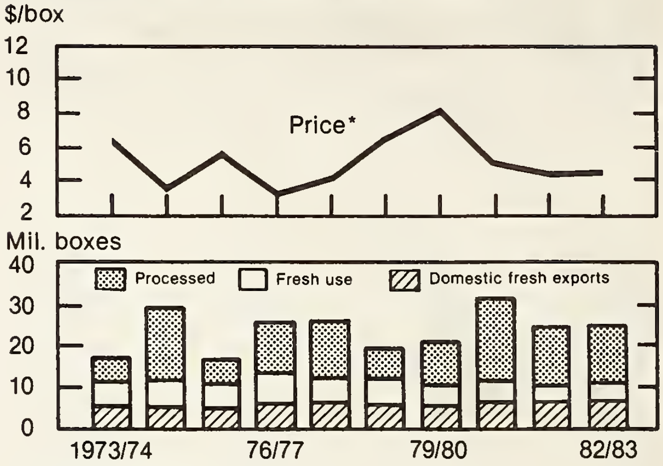
Crop Increases Significantly

The Arizona-California crop (tree crop available for harvest) is estimated at 28 million boxes, 12 percent more than the crop harvested during 1982/83. California's crop, at 21.5 million boxes, is 8 percent larger, while a crop of 6.5 million boxes is expected in Arizona, 29 percent above the used production in 1982/83.

Total shipments of lemons through late October were moderately behind last season's pace, chiefly reflecting substantially reduced processing use. Deliveries to domestic fresh markets were near last year's levels, while export shipments showed strong gains. Despite a larger crop, f.o.b. prices for fresh lemons so far have averaged moderately higher than a year earlier, but are expected to drop this winter when shipments increase.

The 1982/83 season-average grower price for all uses of lemons was $1.24 a box (equivalent on-tree returns), down 4 percent from 1981/82. This season's larger crop should hold lemon prices below last year's.

U.S. Lemon Production, Use, and Price



*Price-season average packinghouse-door returns.
Year beginning August.

USDA Neg. ERS 5822-83(10)

Other Citrus Fruit

Tangelo Crop Down Sharply

The Florida tangelo crop, excluding K-early citrus fruit, is forecast at 3.2 million boxes, 16 percent less than the 1982/83 crop and 37 percent below 1980/81. Normally, more of the tangelo crop goes to processing outlets than to fresh markets, but because of the sharply reduced crop in 1982/83, the share going to these two markets was almost equally divided. The smaller crop resulted in prices well above the preceding season, with the average grower price (equivalent on-tree returns) for all uses at $4.58 a box, compared with $3.58 a year earlier. Higher prices at fresh markets more than offset lower ones for processing uses. Prices for this season will average moderately to substantially higher because of the reduced crop.

Tangerine Crop Increases

The first forecast of the U.S. tangerine crop calls for 5.8 million boxes, 10 percent more than last season and 16 percent above 1981/82. The Florida forecast, at 2.9 million boxes, is for that portion of the crop expected to reach a size of 210 fruit per 4/5 bushel carton by December 1 for Dancy and November 1 for Robinson. Prospects for California's tangerine crop, at 1.9 million boxes, is down 10 percent from last year. In contrast, Arizona's growers expect to harvest 1 million boxes, 14 percent more than last season.

Last season, 61 percent of the tangerine crop was shipped to fresh markets, down from 64 percent the previous season. The U.S. grower return (equivalent on-tree returns) for all uses averaged $5.30 a box, down 5 percent from the year before, but returns from fresh use averaged $9.33 a box, 6 percent higher. Prices this season are likely to be moderately below last year.

Temples Prospect Decline

Florida's Temple crop is forecast at 4.5 million boxes, 4 percent below last season, but 41 percent greater than the 1981/82 crop.

Last season, fresh market took 33 percent of the Temples, up from 26 percent in 1981/82. Despite the larger crop, the U.S. grower returns (equivalent on-tree returns) for all uses averaged $4.63 a box, compared with $4.01 the previous season. The strong returns were attributed to sharply higher prices for processing use. Prices for fresh market were very weak.

PROCESSED CITRUS

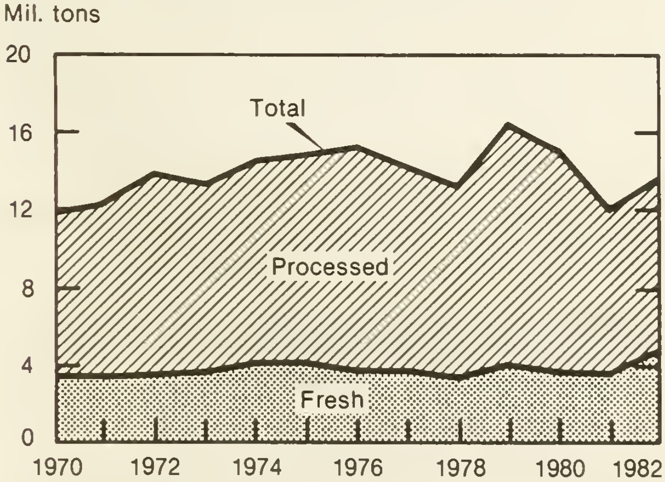
Both Fresh and Processed Uses Increase

Because of the substantially larger 1982/83 citrus crop, the quantity sold fresh totaled 4.7 million tons, up 12 percent from 1981/82. Fresh use also increased its share of total production, to 35 from 30 percent in 1981/82, with all three principal citrus showing increases.

Of all crop sales, the share of fresh oranges increased from 26 percent in 1981/82 to 30 percent in 1982/83, primarily reflecting a sharply larger use of California oranges for fresh market. With an 11-percent increase in Florida orange production, fresh sales amounted to 10.3 million boxes, up 35 percent from 1981/82. Its share of the Florida crop also rose from 6.1 to 7.4 percent. Despite the smaller share for processing use, a moderately larger quantity of Florida oranges was processed. Including tangelos, Temples, tangerines, and K-early citrus, the percentage of the Florida orange crop processed for FCOJ rose to 85 percent of total Florida processing oranges from 83 percent in 1981/82. As a result, even with the larger quantities of oranges used for chilled juice, the processing use remained unchanged in relative terms. The quantities declined for oranges used in chilled sections, salad, and other processing uses, including cannery juice, blend, sections, and salads.

The sharply larger orange crop in Arizona and California also resulted in increased sales for both fresh and processing uses from a year earlier. However, sales of fresh oranges declined, primarily because of problems with appearance and size. Because of the smaller orange crop, Texas oranges for processing use were sharply below a year earlier, drawing its share down from 44 percent in 1981/82 to 41 percent.

Citrus Fruit Production and Utilization



Beginning crop year indicated.

USDA Neg. ERS 0831-83(10)

Because of the significantly smaller crop and reduced demand for processed products, only 54 percent of Florida grapefruit was processed in 1982/83, compared with 65 percent a year ago. All processing outlets reported declines with the uses for cannery juice, blend, sections, and salad falling 40 percent from a year earlier. A similar situation in Texas increased fresh sales to 70 percent of the total grapefruit crop, compared with 52 percent in 1981/82. As usual, much more of the grapefruit in Arizona and California was sold fresh.

Because of higher prices, a significantly increased quantity of California lemons was sold fresh. The share of fresh lemons sold in California rose to 46 from 43 percent in 1981/82. In contrast, the smaller crop in Arizona resulted in reduced fresh sales.

Smaller Carryover of Frozen Concentrates Expected

Florida's 1982/83 pack of FCOJ totaled 169.6 million gallons (excluding reprocessed), up 27 percent from the preceding season. This rise was attributed to higher juice yield and the increased use of oranges—including tangelos, Temples, tangerines, and K-early citrus. Processors recovered 1.48 gallons a box at 42.0 degree brix equivalent, compared with 1.28 for the 1981/82 crop. However, because of the significantly smaller carryover and reduced imports, the total supply of FCOJ is still slightly less than the previous season.

Because the movement has not shown any significant strength, f.o.b. prices for FCOJ have remained steady at $3.95 a dozen 6-ounce cans (unadvertised brand, Florida canneries), the same as a year earlier. Nevertheless, stocks on hand were substantially lower as of October 15.

With the larger crop and a relatively high juice yield, the total pack of FCOJ in 1983/84 is expected to exceed last season's. The 1983/84 juice yield is forecast at 1.43 gallons a box at 42.0 degree brix equivalent, compared with 1.48 for the 1982/83 season.

The 3.51 percent ad valorem tax for Brazilian exports to the U.S. remains in force. The International Trade Commission (ITC) ruled that subsidized Brazilian exports were injurious to the U.S. industry. The Brazilian Government agreed to a tax as a substitute for a U.S. countervailing duty previously imposed after the Department of Commerce investigation. However, the United States Court of International Trade has been petitioned to overrule the ITC, whose recent ruling has been claimed to be unsupported by substantial evidence, and therefore, not in accordance with law. The Court's decision is still pending.

If imports remain relatively large, the total supply of FCOJ will be large during the 1983/84 marketing season. Demand for FCOJ is expected to rise with the continued economic recovery, but the large supply may keep prices steady.

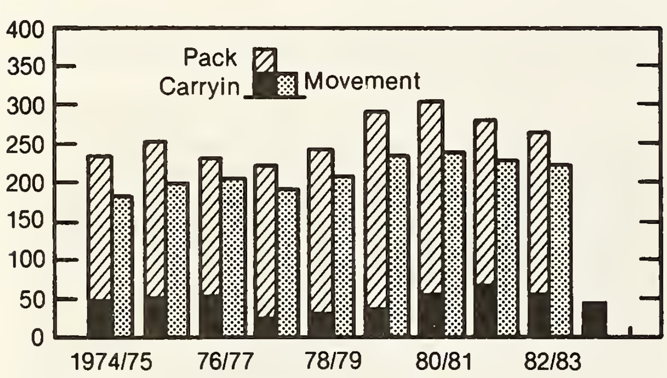
Table 5.—Oranges and grapefruit processed, Florida 1980/81-1982/83

Crop and season	Frozen concentrates	Chilled products: Juice	Chilled products: Sections and salads	Other processed[1]	Total processed
			1,000 boxes		
Oranges[2]:					
1980/81	145,309	19,640	227	6,353	171,529
1981/82	105,146	16,293	225	4,477	126,141
1982/83	114,625	18,084	170	2,667	135,546
Grapefruit:					
1980/81	19,490	2,844	645	10,154	33,133
1981/82	20,052	1,697	628	9,004	31,381
1982/83	13,977	1,314	417	5,379	21,087

[1] Includes cannery juice, blends, sections, and salads. [2] Includes tangelos, Temples, tangerines, and K-early citrus.

SOURCE: Citrus Fruits, SRS, USDA.

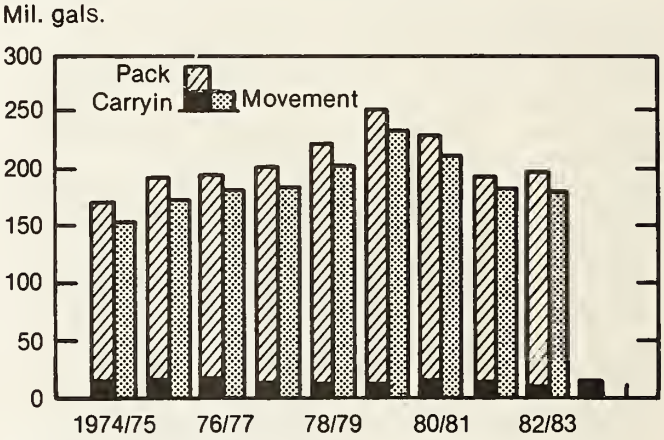
Florida Supply and Movement of Frozen Concentrate Orange Juice



*From 1974/75 through 1979/80, 45° Brix, 1980/81. 43.4 Brix. Beginning 1981/82 Brix change to 42.0°. Pack includes imports. Year beginning December. 1982/83 pack and movement estimated. 1983/84 carryin estimated.

USDA Neg. ERS 5713-83(10)

Florida Supply and Movement of Chilled Orange Juice



Pack excludes single-strength reprocessed. Year beginning October. Florida Citrus Processors Association.

USDA Neg. ERS 2456-83(10)

Because of the smaller crop and sharply larger carryover stocks, Florida packers processed only 14.5 million gallons of frozen concentrated grapefruit juice (FCGJ), down 34 percent from 1981/82. Florida packers used only 14 million boxes of grapefruit, compared with 20 million last season; consequently, the total supply of FCGJ is significantly lower. Despite considerably reduced prices, movement has not shown much gain. Through mid-October, total movement amounted to 18.5 million gallons, moderately more than a year ago. F.o.b. prices have been steady at $2.47 a dozen 6-ounce cans (unadvertised brand, Florida canneries), compared with $3 a year earlier. However, the smaller pack more than offset larger carryin stocks and increased movement—leaving the stocks on hand as of October 15 well below a year ago. But with a larger crop for 1983/84, total supplies of FCGJ will still be adequate, and prices should remain relatively steady.

Chilled Citrus Juice Pack Mixed

Reversing the downward trend, the total pack of chilled orange juice in Florida gained from the previous season. During 1982/83, Florida packers processed 185 million gallons of chilled orange juice (excluding single-strength reprocessed), compared with 181 million in 1981/82. The gain is primarily caused by the increased tonnage of fresh oranges and a higher juice yield. Florida packers used 18 million boxes of fresh oranges, up from 16.3 million in 1981/82. Higher prices and the early weak economy have held movement of chilled orange juice slightly behind last season for both domestic and foreign markets. Consequently, carryover stocks are well above a year ago.

With the larger crop and a relatively high juice yield, the total pack will continue to increase. Thus, combined with the larger carryin stocks, the total supply of chilled orange juice will be ample during 1983/84. Because demand is likely to rise, prices may remain steady.

Reversing the upward trend, Florida packers processed 20.4 million gallons of chilled grapefruit juice (excluding single-strength reprocessed) during 1982/83, down 11 percent from last season. Most of the reduced pack was from fresh fruit. Florida processors used only 1.3 million boxes of grapefruit, compared with 1.7 million in 1981/82. Although f.o.b. prices have been steady, movement was slack. The smaller carryin and pack more than offset the decreased movement—leaving the chilled grapefruit juice carryover stocks considerably below last season. With a larger grapefruit crop and prospects for increased movement, the 1983/84 pack will increase. Even with a smaller carryover, total supply is likely to be adequate. Growing demand may hold prices stable.

Canned Citrus Pack Declines

A smaller pack of canned citrus products, except canned citrus salad and orange sections, was also recorded for 1982/83. Marking the third consecutive decline, the total pack of canned citrus products amounted to 23.5 million cases (24-2's), down 20 percent from 1981/82.

Because of the smaller crop and larger carryin stocks, the total pack of canned grapefruit juice, the leading item, was down almost 25 percent from last season. Higher prices slackened movement, which declined 8 percent. Current f.o.b. prices are quoted at $6.50 a dozen (46 -ounce cans, sweetened and unsweetened), compared with $5.75 a year ago. The reduced pack more than offset larger carryin stocks and slower movement, leaving carryover stocks well below last season. The pack is likely to increase this coming season, so prices could hold steady.

Likewise, the total pack of Florida canned orange juice amounted to 9.8 million cases (24-2's) in 1982/83, off 15 percent. Despite the sluggish movement f.o.b. prices have recently been raised to $10 from $9.75 a dozen 46-ounce cans (single-strength, sweetened and unsweetened). Even with a smaller pack and lower carryin stocks, yearend stocks, at 1.4 million cases, were sharply below a year earlier. The pack of canned orange juice is not expected to rise because of the steadily decreasing demand. However, supplies of canned orange juice will still be adequate to meet market demand during 1983/84. As a result, prices are not expected to rise further.

FRESH NONCITRUS

The 1983 noncitrus crop, including major tree fruits, grapes, and cranberries, is forecast at 12.2 million tons, 13 percent below last year. This estimate primarily reflects a sharply reduced grape crop, but is still slightly above 1981. This summer's hot, dry weather dropped production forecasts for some fruits, such as apples, grapes, and peaches. Nevertheless, the apple crop is projected up 2 percent from last year, and supplies of winter pears will be up 9 percent. Consequently, fresh noncitrus fruit supplies will be adequate this fall and winter, and prices should not rise appreciably.

Apples

Crop Increases Slightly

The final forecast of the 1983 U.S. apple crop was placed at 8.28 billion pounds, 2 percent above last year. Since August 1, prospects declined in the East and Midwest, but remained virtually unchanged in the West. Crop prospects in the East show smaller output in most major producing States, with a crop of 3.13 billion pounds, down 2 percent from a year ago. New York, the regional leader, expects a crop of 1.13 billion pounds, the same as a year ago. At 1.19 billion pounds, apple production in the Central States is 19 percent less. The sharp decrease is mainly attributed to a crop of 750 million pounds in Michigan, 23 percent below 1982. In the West, prospects are for a crop of 3.96 billion pounds, 15 percent above last year. Washington, the Nation's leader, expects to harvest 3 billion pounds, 15 percent more. The crop color is excellent and the size is better than during the last several years.

Table 6.—U.S. noncitrus fruit: Total production, 1981, 1982, and indicated 1983

Crop	1981	1982	1983
		1,000 tons	
Apples	3,877	4,055	4,141
Apricots	89	113	105
Cherries, sweet	153	156	180
Cherries, tart	67	155	78
Cranberries	130	146	148
Grapes	4,458	6,616	4,931
Nectarines	182	173	190
Peaches	1,391	1,146	985
Pears	897	805	794
Prunes and plums	776	581	[1]634
Total	12,020	13,946	12,186

[1] Assuming a 3.0 dry-away ratio for the 1983 estimated 135,000 tons of California dried prunes.

SOURCE: Crop Production, SRS, USDA.

Table 7.—Apples: Regional production, 1981, 1982, and indicated 1983

Area	1981[1]	1982[1]	1983
		Billion pounds	
East	2.78	3.18	3.13
Central	1.15	1.47	1.19
West	3.82	3.46	3.96
Total U.S.	7.75	8.11	8.28

[1] Includes unharvested production and harvested not sold (million pounds): United States: 1981—47.7, 1982—13.8.

SOURCE: Crop Production, SRS, USDA.

Market Prospects Good

Shipments of fresh apples are running well ahead of last year, and demand is generally good. F.o.b. prices for fresh apples at major shipping points showed a mixed pattern, with strong prices in the Central and Eastern regions and lower prices in the West. However, prices have declined from their early season high because of increased shipments, and will likely continue to weaken through the early winter. In late October, f.o.b. prices for Red Delicious apples at Yakima Valley-Wenatchee, Washington, were quoted at $10.50 a tray pack, size 88-113, U.S. extra fancy, compared with $11.80 a year earlier. However, it is possible that the sharply reduced navel orange crop in California and improved export prospects may moderate the price declines.

The smaller crops in the East and Central regions have kept processing apple prices firm. Processor demand for this year's apple crop is expected to be strong as the carryover stocks of canned apples and apple juice into this season are moderately below last year. Movement of these apple products has been very strong and will encourage packers to process a large quantity of apples.

Table 8.—Red Delicious Apples: Shipping point prices, selected regions, 1982 and 1983

Shipping points	Mid-October f.o.b. prices		Units
	1982	1983	
Western Michigan	6.08	8.00	Per carton, U.S. Fancy 2 1/4" up, 12-3 lb. film bags
Appalachian District	5.75	6.25	U.S. Comb. Extra Fancy and Fancy, tray pack, 88-113's
Yakima Valley, Washington	10.83	10.50	Per carton, tray pack, Wash., State Extra Fancy, 80-113's

SOURCE: F.o.b. prices, AMS, USDA.

Negotiated prices for processing apples have been moderately higher than last year. In Michigan, the juice apple minimum price is established at $4.50 per cwt, compared with $4.25 last year. Many processors have agreed to pay $8 per cwt for Jonathan 2-1/2 inches and up, compared with $7 a year ago. In Washington, apple prices on peelers are quoted at $100 to $110 a ton in early October, compared with $90 to $100 a year ago.

Prospective demand for fresh apples in Western Europe looks brighter this season than last. Apple production in most European countries is projected to be well below last year's bumper crop. France and Italy, the two key exporting countries, expect a much smaller outturn than last year. Germany, a key importing country on the Continent, expects to harvest a 43-percent smaller crop. In addition, improving world economy is likely to enhance exports of U.S. apples. Apple exports (mostly of old crops) during the first 3 months of the 1983/84 season (July-September) got off slowly, but shipments to Europe gained sharply. Exports should improve as new crops bring in larger supplies this fall and winter.

The retail price of fresh apples through September has averaged considerably below the 1982 high. With economic conditions still improving, demand for fresh apples will strengthen. In addition, with the reduced competition from the smaller California navel orange crop, apple prices probably will be relatively firm this season.

Avocados

Florida Crop Sharply Reduced

The forecast of Florida avocados for certified shipments for the 1983/84 season is 1 million bushels. If realized, this will be down 25 percent from the record 1.3 million bushels shipped during 1982/83. The contraction is primarily attributed to sporadic bloom and a light fruit set in the spring. Fruit maturity is lagging several weeks and fruit sizes are generally smaller. Shipments are expected to be greater for winter varieties than for summer varieties.

Late maturity in Florida has caused shipments to lag, and large shipments from California have influenced prices. As supplies of California avocados declined seasonally, f.o.b. prices for Florida avocados strengthened somewhat. As of October 15, shipping point prices for Florida avocados in Dade County were quoted at $3.88 a 1-layer carton, sizes 10-14, compared with $3.75 a year ago. However, the 1983/84 season-average price for Florida avocados may not average appreciably higher than last season's $480 a ton, even with a smaller crop.

Expected shipments of the 1982/83 California avocado crop, as reported by the California Avocado Commission, are 8.1 million bushels, 30 percent more than the 1981/82 crop. Through the end of October, 92 percent of the crop has been shipped, but remaining supplies were still significantly more than a year earlier. So for this season, the huge crop has held f.o.b. prices for California avocados well below last season.

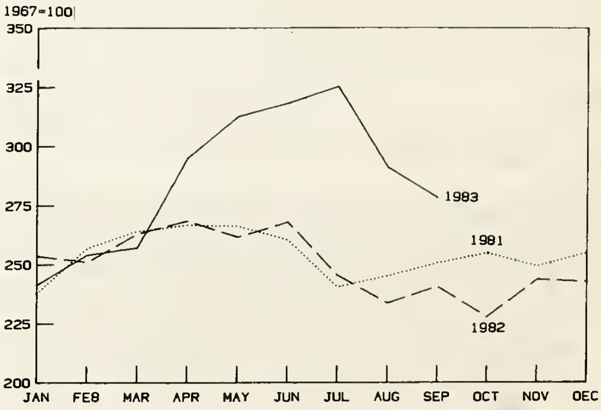
Bananas

Imports Reduced Moderately

During the first 8 months of 1982, U.S. imports of bananas totaled 1.6 million metric tons, down 4 percent from a year ago. The reduced imports were primarily due to smaller imports from Honduras, Ecuador, and Colombia. Costa Rica is our top supplier, replacing Ecuador, which fell to third place, while Honduras ranked second. Costa Rica provided approximately 23 percent of total U.S. imports, compared with 22 percent during the corresponding period a year earlier. Imports from Honduras fell 11 percent because a hurricane in mid-March damaged an extensive portion of the crop. With a sharply reduced shipments, Ecuador, with excessive rains and flooding damaged crop, now accounts for 20 percent of total U.S. imports, compared with 23 percent a year ago. However, dramatically larger imports from Nicaragua and Panama were recorded, up 70 and 74 percent, respectively.

Wholesale banana prices this year have fluctuated between a low of $6.13 a 40-lb. box in January and a record high of $10.06 in May. The September price of $7.70 was 24 percent above a year ago. Immediately following the wind damage in Honduras, retail prices jumped in April and steadily advanced to a record high of 46 cents a pound in July. Prices subsided to 39 cents in September, but were still 15 cents higher than a year earlier. As larger supplies of apples and citrus become available, retail banana prices may continue to weaken.

Bananas: BLS Consumer Price Index



Cherries

Sweet Cherry Crop Up

The Nation's 1983 sweet cherry crop totaled 179,700 tons, 15 percent more than in 1982, with larger crops in most Western States. At 89,000 tons, Washington, the leading producer, had a 35-percent larger crop and accounted for 50 percent of U.S. production. Oregon's crop of 45,000 tons was up 29 percent. California remained in fourth place, even though production increased 34 percent. Altogether, the three Pacific Coast States accounted for 83 percent of the 1983 total. Michigan remained in third place, even though its 18,000-ton harvest fell 42 percent below 1982's outturn because of unfavorable weather this spring.

With larger supplies, grower prices fell substantially, averaging $623 a ton, compared with $694 in 1982. Lower prices were reported for all Western States except Montana. With the sharply smaller crops, higher prices were indicated for both Michigan and Montana. The larger crop resulted in a value of $104 million, up from $93 million in 1982.

Of the production used, 56 percent was for fresh market, up from 44 percent in 1982. Sweet cherries used for canning rose only moderately, while those used for brining decreased slightly. A sharp increase in processing use was indicated for freezing, juice, jelly, etc. Table 9 shows the use of the U.S. sweet cherry crop during the last 4 years.

Tart Cherry Crop Down

The 1983 U.S. tart cherry crop totaled 156 million pounds, half the size of the large 1982 crop. The four Great Lake States produced 125 million pounds, down 58 percent. Michigan, the leading producer, produced 89 million pounds, only one-third of last year's crop. However, New York harvested 23 million pounds, up 10 percent. Because of a huge crop in Utah, the combined output of the three Western States (Colorado, Oregon, and Utah) gained 112 percent.

Because of the dramatically reduced U.S. crop, grower prices averaged 46.6 cents a pound, compared with 14.1 in 1982. Higher prices more than offset decreased production. Consequently, the crop is valued at $72 million, up 108 percent from 1982. Table 10 shows the use of the tart cherry crop during the last 4 years.

Table 9.—Sweet cherries: Production, use, price, and value, 1980-83 crops

Crop	Production[1]		Uses				Price per ton	Value of used production
	Total	Used[2]	Fresh	Processed (fresh equivalent)				
				Canned	Brined	Other[3]		
	1,000 short tons						*Dollars*	*1,000 dollars*
1980	171.7	166.3	84.5	14.4	59.5	7.9	552	91,812
1981	153.0	146.0	70.2	10.3	55.0	10.5	683	99,792
1982	155.7	133.7	66.7	10.7	45.8	10.5	694	92,738
1983	179.7	167.3	93.5	11.1	45.3	17.3	623	104,157

[1] Difference between total and used is quantities harvested but not sold and quantities not harvested. [2] Some totals do not add because of rounding. [3] Includes frozen, juice, jelly, etc.

SOURCE: Crop Production, SRS, USDA.

Table 10.—Tart cherries: Production, use, price, and value, 1980-83 crops

Crop	Production[1]		Uses				Price per ton	Value of used production
	Total	Used[2]	Fresh	Processed (fresh equivalent)				
				Canned	Frozen	Other[3]		
	1,000 short tons						*Dollars*	*1,000 dollars*
1980	109.1	108.1	3.2	35.6	67.7	1.7	404	43,725
1981	66.6	66.4	2.0	19.6	43.8	1.1	890	59,060
1982	155.5	122.5	3.7	35.7	80.4	2.7	282	34,645
1983	78.1	77.6	2.5	22.8	50.1	2.4	932	72,240

[1] Difference between total and used is quantities harvested but not sold and quantities not harvested. [2] Some totals do not add because of rounding. [3] Includes juices, wine, jam, etc.

SOURCE: Crop Production, SRS, USDA.

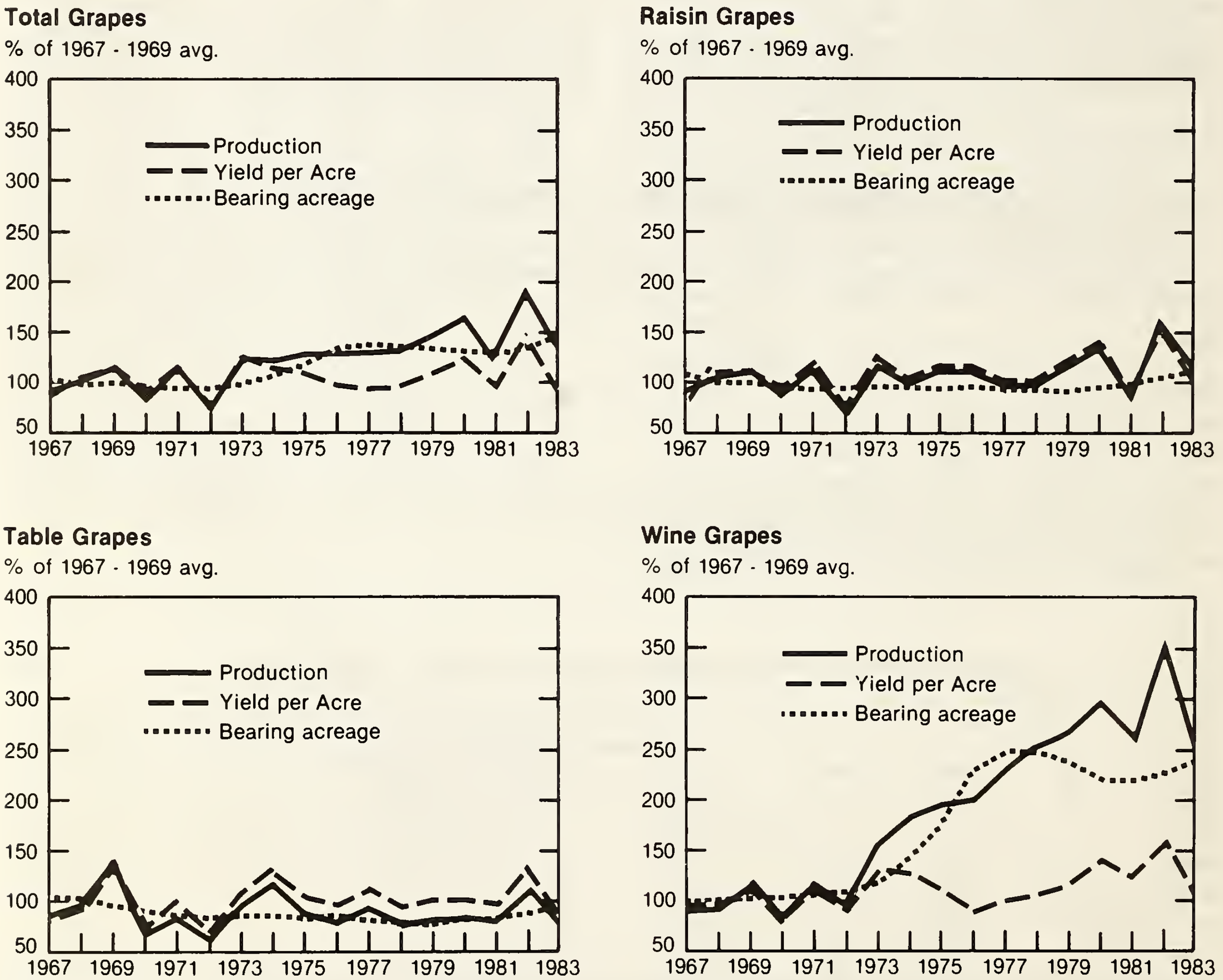
Grapes

Grape Crop Falls Sharply

The final forecast of U.S. grape production, at 4.93 million tons, was 7 percent less than the August 1 forecast and 25 percent below last year's record-high crop. The prospect for California, at 4.37 million tons, is 29 percent below last year, with significantly smaller crops expected for all three types—table, wine, and raisin grapes. Consequently, California's 29 percent smaller output accounts for 89 percent of the crop, compared with 93 percent a year earlier. The output of raisin varieties, at 2.2 million tons, is 30 percent below 1982. Actual yield and reported use have been lower than expected. The wine grape forecast is 1.75 million tons, 27 percent below the record-high crop produced in 1982. The harvest yields are lower than anticipated, and rains during the last weekend of September caused additional damage. Crop loss is unknown and will depend on weather conditions from now until the end of harvest. The production of table grapes is estimated at 420,000 tons, down 30 percent from last year. Late September rains caused some loss to the remaining crop, while the fresh pack and winery crush are lower than earlier expected.

The production forecast in other States is mixed, but the total is up 17 percent, with production up in all the principal States. Washington, the Nation's second largest grape-producing State, expects a record crop—27 percent larger. New York, Michigan, and Pennsylvania report excellent crops: New York is forecast at 185,000 tons, up 18 percent; Michigan, 60,000 tons, up 3 percent; and Pennsylvania, 57,000 tons, up 21 percent.

California Grapes: Acreage, Yield, and Production



Total Grapes

Raisin Grapes

Table Grapes

Wine Grapes

1982 preliminary. 1983 indicated.

USDA

Neg. ERS 841-83(10)

Market Prospects and Prices Vary

Because of a smaller crop, shipments of table grapes totaled 818 million pounds through October 22, down substantially from a year earlier. F.o.b. prices were generally weak early in the season, but have recently strengthened. By October 15, Ribiers were quoted at $10 a 23-pound lug in Central San Joaquin Valley, California, compared with $8.50 a year earlier. F.o.b. prices for fresh table grapes are expected to remain firm during the balance of the season, because of the seasonally declining supplies. The 1983 average grower price is likely to be above 1982.

Through October 29, handlers received 283,516 tons of raisins. This compares with 92,783 tons for the corresponding period a year earlier. The 1982 crop was damaged by rain and much of the crop had to be reconditioned before it was received by handlers and thus delaying receipts. As a result, total output of raisins is expected to be well above last year's production of 288,000 tons.

The reduced growth in wine shipments and a sharply larger inventory have lowered grower prices for wine grapes well below a year ago. Prices vary greatly by producing areas, supplies, and varieties of grapes.

Smaller Crush Expected

Reported use of California grapes for crushing through October 22 was 2.17 million tons (fresh basis), compared with 2.88 million a year ago. Reductions were recorded for all three types of grapes.

Sluggish shipments combined with larger wine inventories have contributed to reduced crushing. Sluggish shipments also have held wine prices steady. The BLS September producer price index for all wines stood at 259.6 (1967 =100), almost the same as a year earlier. The larger inventory, lower grape prices paid by wineries, and a slower rate of increase in demand may weaken wine prices somewhat.

This year's larger crops in States other than California are expected to sharply increase crush of Concord and other American-type grapes. Grower prices for grapes are likely to average below last year's levels. Prices of grape juice are not expected to rise appreciably.

Pears

Crop Slightly Smaller

The final forecast of the 1983 U.S. crop is 794,080 tons, 1 percent less than 1982. Output of Bartlett pears in California, Oregon, and Washington is forecast at 496,000 tons, down 6 percent from 1982. Production of Pacific Coast pears (other than Bartletts) is estimated at 257,500 tons, 9 percent above last year's crop. Pear production in other than Pacific Coast States shows a mixed pattern. The crop from New York, the leading producer, remained unchanged, while Michigan, the second largest producer, recorded a sharp loss.

Prices Rise

Shipments of fresh Bartletts are running sharply below a year earlier, because of the scab infestation. This pushed

Table 11.—Grapes: Total production and season-average prices received by growers in principal States, 1981, 1982, and indicated 1983 production

State	Production[1]			Price per ton[2]	
	1981	1982	1983	1981	1982
		Tons		*Dollars*	
New York	150,000	157,000	185,000	248.00	233.00
Pennsylvania	61,000	47,000	57,000	186.00	225.00
Ohio	10,300	9,000	8,000	198.00	203.00
Michigan	53,000	58,500	60,000	252.00	259.00
Missouri	2,200	2,500	3,400	311.00	320.00
North Carolina	5,100	4,500	5,000	318.00	321.00
Georgia	—	2,800	2,500	—	473.00
South Carolina	—	2,400	2,500	—	289.00
Arkansas	6,000	10,500	9,500	227.00	238.00
Arizona	12,400	15,100	13,500	1,240.00	991.00
Washington	159,000	168,900	215,000	189.00	185.00
Other States[3]	5,600	—	—	420.00	—
California:					
Wine	1,794,000	2,402,000	1,750,000	266.00	218.00
Table	420,000	602,000	420,000	440.00	347.00
Raisin[4]	1,779,000	3,134,000	2,200,000	306.00	214.00
Dried[5]	256,000	288,000	—	1,315.00	1,125.00
Not dried	755,000	1,112,000	—	275.00	214.00
All	3,993,000	6,138,000	4,370,000	302.00	230.00
United States	4,457,600	6,616,200	4,931,400	297.00	231.00

[1] Includes unharvested production and harvested not sold (tons): U.S. 1981—600, 1982—780,200. [2] Price derived from unrounded data for California all varieties and raisin varieties. [3] Georgia and South Carolina included in other States through 1981. [4] Fresh equivalent of dried and not dried. [5] Dried basis, 1 ton of raisins is equivalent to 4.00 tons of fresh grapes for 1981 and 5.25 tons for 1982.

SOURCES: Production, Crop Production and Prices, Noncitrus Fruits and Nuts Mid-Year Supplement, SRS, USDA.

Table 12.—Pears: Shipping point prices, selected regions 1982 and 1983

Shipping points	Mid-October f.o.b. prices 1982	Mid-October f.o.b. prices 1983	Units
Lake County Dist., California: Bartlett	[1]10.50	10.75	U.S. No. 1, std. box wrapped pack, 90-135's
Yakima Valley, Washington: Bartlett	8.85	11.50	U.S. No. 1, std. box wrapped pack, 90-135's

[1] Week ending October 8.

SOURCE: F.o.b. prices, AMS, USDA.

f.o.b. prices generally above a year earlier, and they jumped as the end of the season approached. By October 11, the f.o.b. quotation for Bartlett pears at Lake and Mendocino Counties, California, was $10.75 a box, U.S. No. 1, size 90-135, compared with $10.50 a year ago. However, f.o.b. prices in Washington rose sharply. Prices for Washington Bartlett pears at Yakima Valley, Washington, averaged $11.50 a box, U.S. No. 1, size 90-135 on October 24, up 39 percent. With increased competition from a relatively larger apple crop, prices for winter pears are likely to weaken somewhat.

With the slack demand from packers, West Coast growers and canners agreed on a field price of $135 a ton, the same as last season. The smaller Bartlett crop resulted in a reduced pack of canned pears, which combined with the depleted carryin stocks, will create a tight canned pear supply this season. Packers have already raised prices of canned pears.

Exports Decline

Exports of fresh pears got off to a sluggish start this year, with a decrease of 16 percent during the first 3 months (July-September) compared with a year ago. Decreases were recorded for most countries.

PROCESSED NONCITRUS

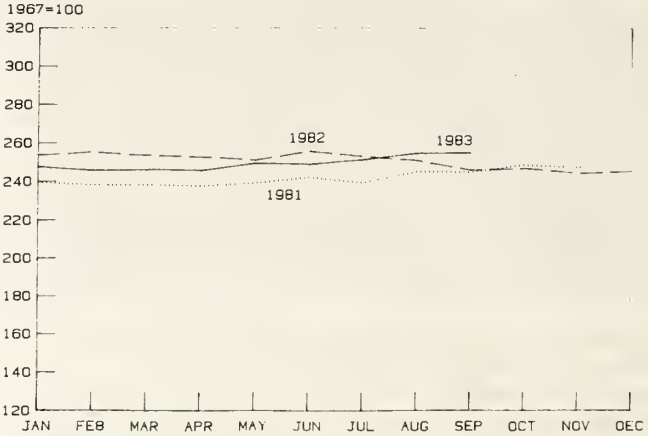
This season's pack of most canned fruit, particularly peaches, pears, and fruit cocktail, will be less than a year ago. Supplies of canned fruit will be tight, with prices expected to strengthen, as reflected by recent hikes by packers.

Supplies of frozen fruit and berries will vary this season. The total pack of frozen tart cherries will be sharply reduced from last year. Strawberry deliveries to freezers so far this year are relatively large. Combined with the increased imports from Mexico, the total supplies of frozen strawberries are expected to be adequate to meet market demand. Supplies of raisins are likely to be heavy as a result of larger carryin stocks and increased production. In contrast, supplies of dried prunes will be moderately less than last season, because of substantially reduced carryin stocks.

Canned Supplies Tighten

The 1983/84 pack of most canned noncitrus fruit will be well below last year. Combined with the depleted carryover, total supplies of canned noncitrus fruit, particularly peaches, pears, and fruit cocktail, will be tight this season. A trade source indicated that the unaudited pack data for canned Clingstone peaches totaled 10.7 million cases (24-2-1/2 basis)—the smallest since 1940. This compares with 17.8 million in 1982. Also, the canned fruit cocktail pack amounted to 8 million cases (24-2-1/2 basis), off 8 percent from a year earlier. A sharply reduced pack was also reported for canned mixed fruit.

Canned Fruit: BLS Producer Price Index



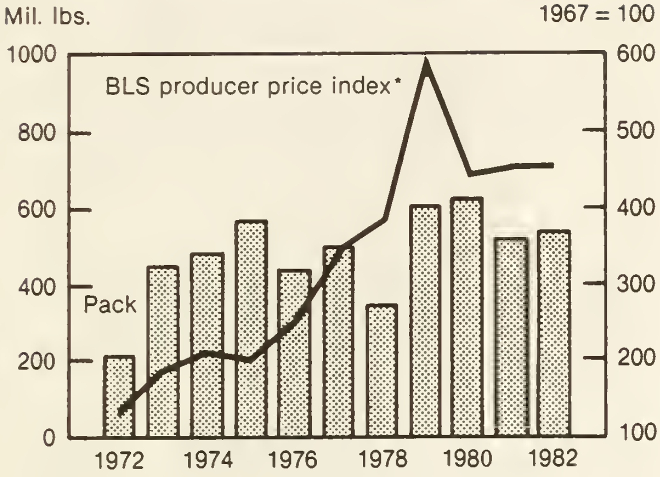
Because of the smaller crop in Michigan, the total pack of canned tart cherries totaled 199,470 cases (24 2-1 -1/2 basis), down 58 percent from last year. Based on the quantities of sweet cherries used for canning, the canned sweet cherry pack will be up slightly. However, even with sharply increased ending stocks, the supply of canned tart cherries will be tight, but that of canned sweet cherries will be sufficient.

The smaller apple crops from the Eastern and Central States are likely to reduce the pack of canned apple product. Combined with smaller yearend stocks, total supplies of canned apples and apple juice could be below a year ago. Packers have generally agreed on moderately higher prices for processing apples. Increased apple prices, combined with the tight supplies of other canned fruit, will boost prices of canned apple items. Trade sources indicate that processors are likely to pack more canned apple products than last season. Reflecting tight supplies for most canned fruit, prices have strengthened. The September 1983 producer price index for canned fruit stood at 254.5 (1967 =100), up slightly from August and 4 percent from a year earlier. Demand for canned fruit may increase somewhat with the stronger economy, thus, keeping canned fruit prices firm during 1983/84.

Dried Fruit Supplies Good

Despite a smaller grape crop, delivery of raisins to handlers has been significantly heavier than last year. At present, the trade is forecasting a total raisin production of 363,000 tons, compared with 288,000 tons a year ago. With a larger carryin stock, the total supply of raisins will be heavy during the upcoming season. The field price for natural seedless raisins has been negotiated at a minimum of $1,300 a ton, the same as last season. Demand for raisins may pick up somewhat in light

U.S. Raisin Pack and Producer Price Index



*15 oz. packages.

USDA Neg. ERS 164-83(10)

of the improving economy, but the heavy supplies are likely to keep prices relatively steady. The BLS August producer price index was 449.8 (1967 =100), slightly above a year ago.

Shipments of raisins got off to a fast start, increasing 16 percent over a year earlier during the first 2 months. To improve exports, the USDA has allocated approximately $5 million for raisin advertising in Western Europe in fiscal year 1984. With the improving economy abroad, exports of raisins are likely to gain.

The Raisin Administrative Committee has approved a preliminary 65-percent set aside for this year's crop.

Production of dried prunes, the other major dried fruit item, is currently estimated at 129,000 tons (natural condition), up 5 percent from 1982. Because of the sharply reduced carryin stocks, the total supply of dried prunes will still be moderately smaller. Prune shipments got off to a sluggish start with both domestic and foreign markets showing declines. However, export demand could be somewhat bright because France, a major producing country, expects a smaller crop this year. Even with a moderately smaller supply, prices are not expected to rise appreciably. The August BLS producer price index for dried prunes, at 281.7 (1967 =100), remained unchanged from a year earlier.

Frozen Fruit and Berry Pack Mixed

The 1983 pack of frozen fruit and berries will vary this season. Deliveries of strawberries to freezers in Oregon and Washington were up, while freezers in California, the leading State, received 172.5 million pounds through October 21, down 7 percent from a year earlier. U.S. imports of frozen strawberries from through October 22 totaled 40.7 million pounds, compared with 32.8 million pounds last year. It was the first increase over the past few years. Overall, the total pack will still be relatively large. Freezer's receipts of blackberries from both Oregon and Washington have been considerably more than last year. Deliveries of blueberries to freezers showed good gains as Michigan, the leading State, received 35.7 million pounds, compared with 27 million last year.

Table 13.—Stocks of frozen fruit: End of September 1980-83

Frozen fruit	1980	1981	1982	1983
	1,000 pounds			
Apples	36,022	39,968	30,641	36,865
Apricots	10,001	9,160	12,831	10,805
Blackberries	30,072	26,420	21,647	17,236
Blueberries	44,082	38,763	39,599	69,494
Boysenberries	6,022	4,937	8,032	3,575
Cherries[1]	115,931	86,849	116,234	86,689
Grapes	5,002	3,405	6,135	4,004
Peaches	52,099	58,402	55,455	52,333
Raspberries, Red	23,362	22,582	30,251	31,561
Strawberries	210,841	171,845	178,902	225,187
Other frozen fruits	98,218	100,740	106,292	89,638
Total frozen fruits	631,652	563,071	606,019	627,387

[1] Includes both sweet and tart cherries.

SOURCE: Cold Storage, SRS, USDA.

The total pack of frozen tart cherries is reported down to approximately 100 million pounds, compared with 161 million a year ago. The contraction was mainly caused by a sharply smaller crop in Michigan.

Cold-Storage Stocks Up

Primarily reflecting sharp gains in stocks of blueberries and strawberries at the beginning of October, cold-storage holdings of frozen berries and fruits totaled 627 million pounds, up 4 percent from the previous year. Supplies of blueberries were 69 million pounds, an increase of 75 percent, reflecting a sharply increased pack. The supply of frozen strawberries in cold storages was also significantly larger. In contrast, there were significantly less tart cherries in cold storage, because the pack was well below last year. Demand for frozen fruit and berries is expected to improve with the continued economic recovery. Prices for some frozen items will rise, while others may weaken somewhat. Overall, prices are not expected to rise appreciably.

BERRIES

Cranberries

Record Crop Forecast

The 1983 U.S. cranberry crop is expected to be a record 2.95 million barrels (134,000 metric tons), 1 percent above the record set in 1982, and 14 percent above the 1981 crop. Increased production is forecast for Massachusetts, Oregon, and Washington, while New Jersey and Wisconsin expect decreased production. Massachusetts, the leading State, expects to harvest 1.3 million barrels, 2 percent more than a year earlier and up 11 percent from 1981. Berry size is reported to be medium. Production in Wisconsin, the second largest cranberry State, is forecast at 1.19 million barrels, 1 percent less than 1982, but still 22 percent more than 1981. Winter kill and hail damage affected some of the crop. Combined production for these two States accounts for 84 percent of the crop, compared with 85 percent last year.

In response to the larger crop, opening prices for fresh cranberries from Massachusetts in Chicago wholesale markets were quoted at $15.75 a carton (24-1 lb.), down 7 percent from a year ago. Prices have declined further as increased supplies become available. With rising demand prospects, grower prices are likely to average only slightly below last year's $46.20 a barrel.

TREE NUTS

Supplies of tree nuts will be adequate for market needs during 1983/84 despite sharply reduced crops of almonds and walnuts. This season's pecan crop is expected to be well above 1982, while the filbert crop is likely to be significantly smaller. The smaller total crop and good demand prospects will lift almond prices above last season.

Almonds

Production Down Sharply

The 1983 California almond crop was forecast at 250 million pounds, shelled basis, 28 percent less than 1982 and 39 percent below the 1981 record. Heavy rains, high winds, and below normal temperatures during the pollination period sharply reduced yields and kernel quality. However, average kernel size is large because of a lighter set. The percentage of nuts rejected may be higher than normal.

Despite the smaller output, the total supply of almonds is likely to be adequate because of the larger carryin stocks. Domestic demand looks bright in view of the improved economy. Foreign markets may not be encouraging, even though shipments could improve somewhat. Export prospects will be influenced by the dollar's strength and the size of foreign crops, particularly in Spain and Italy. Spain, the world's second largest almond producer, expects a crop of 35,000 tons, down 36 percent from last year, because of severe frosts during February and subsequent drought. However, Italian production is up sharply, totaling 27,000 tons. In addition, demand for almonds will be affected by the degree of substitution between almonds and filberts. A sharply larger Turkish filbert crop may discourage U.S. shipments of almonds to Western Europe. On the other hand, if the world economy continues to improve, demand for U.S. almonds will brighten.

According to the Almond Board of California, U.S. shipments of almonds got off to a slow start, reflecting the reduced foreign purchases. During the first 3 months of 1983/84 (July through September), U.S. exports totaled 50 million pounds, off 13 percent from a year earlier, primarily because of reduction to Western Europe, particularly West Germany. Shipments to Japan continued to show strength, gaining 11 percent, and keeping Japan as our second leading customer. Domestic shipments so far are strong, up 13 percent. Opening prices for almonds were significantly higher than a year go. In light of the improved economy and smaller world production, almond prices are likely to remain firm throughout the marketing season.

Regarding this season's market allocation, the Almond Board of California has recommended the Secretary of Agriculture proposed that 97 percent of the 1983 crop salable and 3 percent is a reserve for new outlets.

Table 14.—Tree nuts: Production in principal States, 1981, 1982, and indicated 1983

Crop and States	1981	1982	Indicated 1983	Crop and States	1981	1982	Indicated 1983
		1,000 pounds shelled basis				*Short tons in-shelled basis*	
Almonds:				Pecans:			
California	408,000	347,000	250,000	North Carolina	2,100	950	1,000
				South Carolina	4,450	1,100	1,000
		Short tons in-shelled basis		Georgia	60,000	62,500	55,000
				Florida	2,500	2,250	2,000
				Alabama	17,000	11,500	15,000
Filberts:				Mississippi	4,250	2,000	4,000
Oregon	14,400	18,400	8,300	Arkansas	2,750	250	1,500
Washington	300	400	200	Louisiana	12,000	5,000	12,500
2 States	14,700	18,800	8,500	Oklahoma	23,500	1,000	7,500
				Texas	31,000	8,500	32,500
Macadamia nuts:				New Mexico	10,000	12,500	14,250
Hawaii	16,680	18,360	NA	Total	169,550	107,550	146,250
Pistachios:							
California	7,250	22,000	NA	Improved varieties[1]	87,275	84,100	89,100
Walnuts, English:							
California	225,000	234,000	180,000	Native and seedling	82,275	23,450	57,150
				Total 5 tree nuts[2]	433,180	400,710	334,750[3]

[1] Budded, grafted, or topworked varieties. [2] Excludes almonds. [3] Excludes Macadamia nuts and Pistachios.

NA = Not available.

SOURCE: Crop Production, SRS, USDA.

Filberts

U.S. Crop Reduced Significantly

Production of filberts in Oregon and Washington was forecast at 8,500 tons, in-shell basis, down 55 percent from last year and 42 percent below 1981. Heavy brown stain and poor set decreased crop prospects to the lowest level in several years.

Despite a smaller crop in the United States, world production is expected to be 49 percent above 1982. Turkey, the leading producer, expects a record crop of 370,000 tons, up 85 percent from last year. Turkey will continue to dominate the world market for filberts. The commercial filbert production in Spain is estimated at 36,000 tons, an increase of 80 percent over 1982. Spain's filbert production has trended upward since 1980 as trees planted in the late 1970's have begun to bear. However, Italy expects a crop of 100,000 tons, off 9 percent from 1982. Thus, the huge world supplies are not likely to boost grower prices appreciably for U.S. filberts.

U.S. imports of filberts, mostly from Turkey, during the first 9 months totaled 2,145 metric tons (inshell equivalent), down 26 percent from a year earlier. With smaller supplies of U.S. almonds and filberts and lower world prices, imports of filberts are likely to rise during 1983/84.

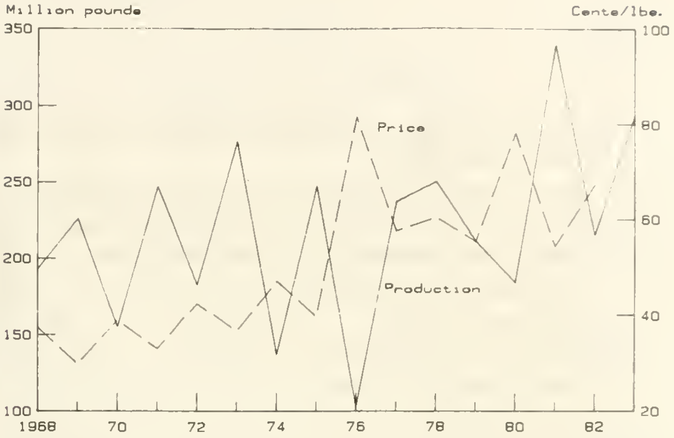
Pecans

Crop Increases Sharply

The October 1 forecast for the U.S. pecan crop is 293 million pounds, in-shell basis, 36 percent more than last year, but still 14 percent below 1981. About 61 percent of the crop is expected to be from improved varieties, compared with 78 percent in 1982 and 51 percent in 1981. Georgia, the leading producer, expects to harvest 110 million pounds of pecans, off 12 percent. The smaller crop is caused by spring freezes and erratic summer weather. Nut sets are spotty and sizes are reported below average. The reduced yields are partially offset by the increased bearing acreage. In Texas, the crop was forecast at 65 million pounds, nearly fourfold larger. Significantly larger crops were also indicated for Alabama and Louisiana.

Cold-storage pecan holdings were heavy. Combined with a sharply larger crop, total supplies of pecans will be boosted well above last year, and should weaken grower prices. Prices received by U.S. pecan growers in 1982 averaged 67.4 cents a pound, compared with 54.5 cents in 1981.

U.S. Pecan Production and Prices Received by Grower



Walnuts

Smaller Crop Expected

Production of California walnuts is forecast at 180,000 tons, in-shell basis, 23 percent less than last year's record. Nut sets and sizes are down this year, but quality is fair. However, with beginning stocks well above last season, total walnut supplies should meet market needs.

The 1983/84 marketing year got off to a fast start. According to the Walnut Marketing Board, shipments of in-shell walnuts during the first 2 months (August and September) were well below a year earlier, while those of shelled walnuts were considerably larger. Overall, shipments increased moderately, entirely reflecting rising demand in domestic markets. However, export markets could improve, because France expects to harvest a sharply reduced walnut crop. On the other hand, with the larger pecan crop, domestic demand for walnuts may be affected by the degree of substitution between walnuts and pecans.

Grower prices for the 1982 California walnut crop averaged $1,120 a ton, up from $1,014 in 1981. With a larger carryin, prices received by walnut growers this year may average lower than last.

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Table 15.—Seven citrus fruits: Production, use, and value, United States, 1980/81-1982/83[1]

Fruit and season	Production[2]	Use of production				Value of production
		Fresh		Processed		
		Quantity	Percentage	Quantity	Percentage	
	1,000 short tons		*Percent*	*1,000 short tons*	*Percent*	*1,000 dollars*
Oranges:						
1980/81	10,487	1,967	18.8	8,520	81.2	1,295,281
1981/82	7,600	1,817	23.9	5,783	76.1	1,167,795
1982/83	9,406	2,617	27.8	6,789	72.2	1,456,958
Grapefruit:						
1980/81	2,759	1,114	40.4	1,645	59.6	321,517
1981/82	2,873	1,154	40.2	1,719	59.8	228,511
1982/83	2,447	1,286	52.6	1,161	47.4	189,895
Lemons:						
1980/81	1,189	433	36.4	756	63.6	151,174
1981/82	942	401	42.6	541	57.4	105,688
1982/83	947	434	45.8	513	54.2	109,679
Limes:						
1980/81	48	28	58.3	20	41.7	13,325
1981/82	52	25	48.1	27	51.9	16,170
1982/83	68	39	57.4	29	42.6	22,255
Tangelos:						
1980/81	221	93	42.1	128	57.9	27,943
1981/82	229	80	34.9	149	65.1	27,865
1982/83	171	85	49.7	86	50.3	24,706
Tangerines:						
1980/81	239	135	56.5	104	43.5	35,850
1981/82	212	135	63.7	77	36.3	40,728
1982/83	220	134	60.9	86	39.1	41,597
Temples:						
1980/81	162	50	30.9	112	69.1	21,595
1981/82	144	38	26.4	106	73.6	18,862
1982/83	211	70	33.2	141	66.8	30,781
Total:						
1980/81	15,105	3,820	25.3	11,285	74.7	1,866,685
1981/82	12,052	3,650	30.3	8,402	69.7	1,605,619
1982/83	13,470	4,665	34.6	8,805	65.4	1,875,871

[1] Preliminary. [2] Production having value.

SOURCE: Citrus Fruits, SRS, USDA.

Table 16.—Selected citrus fruit: Used for processing by percentages of total production, 1975/76-1982/83

State, variety, and season	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83[1]
				Percent				
Oranges:								
Florida								
Temple	57.7	68.8	58.2	54.6	53.6	69.3	73.8	66.7
Early and midseason	93.4	94.7	93.5	93.0	94.5	94.5	93.3	91.4
Valencia	93.6	96.2	94.7	92.6	94.9	96.3	94.8	93.9
Total	93.5	95.2	94.1	92.9	94.7	95.2	93.9	92.6
California								
Navel and miscellaneous	27.2	24.7	24.0	31.3	33.4	37.0	20.0	32.1
Valencia	44.5	32.5	39.8	36.4	33.7	50.2	20.8	27.9
Total	35.2	28.1	32.4	33.5	33.5	42.3	20.3	30.2
Grapefruit:								
Florida								
Seedless	50.9	61.5	58.2	53.8	58.6	60.2	60.3	47.1
Pink	31.2	47.8	37.6	28.3	33.6	39.0	43.3	27.6
White	60.0	67.2	68.9	65.4	71.4	71.1	69.5	58.5
Other seeded	98.6	99.3	99.0	99.0	98.7	99.1	100.0	100.0
Total	58.5	68.2	64.9	60.4	64.4	65.9	65.2	53.5
Texas	32.1	47.7	44.5	55.6	46.8	30.6	48.0	30.4
Tangerines:								
Florida	30.5	29.8	40.6	46.0	40.0	36.5	36.4	33.8
California	38.5	33.0	41.4	34.5	52.4	59.1	35.3	47.2
Lemons:								
California	37.1	47.6	51.2	35.0	48.5	62.3	56.9	54.5
Arizona	43.2	58.2	60.3	49.1	48.0	68.0	59.0	52.9

[1] Preliminary.

SOURCE: Citrus Fruits, SRS, USDA.

Table 17.—Florida oranges used for frozen concentrate, 1980/81-1983/84

Season	Florida orange and Temple production	Used for frozen concentrates[1]		Yield per box[2]
	Million boxes		*Percent*	*Gallons*
1980/81	176.0	145.3	82.6	1.21
1981/82	129.0	105.1	81.5	1.28
1982/83	144.2	114.6	79.5	1.48
1983/84	172.5	NA	NA	1.43

[1] Includes tangelos, Temples, tangerines, and K-early citrus. [2] Gallons per box at 42.0 degrees brix equivalent.

NA = Not available.

SOURCES: Crop Production and Citrus Fruits, SRS, USDA.

Table 18.—Citrus fruit: Season-average equivalent returns per box received by growers, by variety and use, by State and total United States, 1981/82-1982/83

Variety, States, and U.S.	1981/82						1982/83					
	Equivalent P.H.D.[1]			Equivalent on-tree			Equivalent P.H.D.[1]			Equivalent on-tree		
	All	Fresh	Proc.	All	Fresh	Proc.	All	Fresh	Proc.	All	Fresh	Proc.
	Dollars											
ORANGES:												
Florida												
Early and midseason	5.97	8.00	5.83	4.27	6.30	4.13	6.70	9.35	6.45	5.00	7.65	4.75
Valencia	5.99	8.60	5.85	4.29	6.90	4.15	7.20	6.65	7.24	5.50	4.95	5.54
All	5.98	8.21	5.84	4.28	6.51	4.41	6.95	8.24	6.85	5.25	6.54	5.15
Temple	5.89	8.50	4.97	4.01	6.65	3.07	6.55	7.15	6.25	4.63	5.20	4.35
California												
Navel and misc.	7.22	8.88	.60	5.58	7.24	-1.04	4.62	6.24	1.20	2.96	4.58	−.46
Valencia	11.51	14.04	1.88	9.79	12.32	.16	7.78	10.06	1.88	5.94	8.22	.04
All	8.80	10.76	1.08	7.13	9.10	−.59	6.05	8.02	1.48	4.30	6.28	−.25
U.S.[2]	6.61	9.81	5.47	4.94	8.18	3.78	6.56	7.85	6.00	4.86	6.15	4.30
GRAPEFRUIT:												
Florida												
Seedless	3.59	5.78	2.14	2.23	4.48	.75	3.66	5.58	1.50	2.32	4.28	.11
Seeded	2.43	(3)	2.43	1.13	(3)	1.13	1.63	(3)	1.63	.33	(3)	.33
All	3.44	5.78	2.20	2.09	4.48	.82	3.41	5.58	1.53	2.08	4.28	.16
Texas	2.75	3.61	1.81	1.89	2.73	.98	2.16	2.66	1.00	1.26	1.75	.14
California	3.19	5.28	.04	1.85	3.95	−1.31	3.34	5.45	.09	1.94	4.06	−1.31
Arizona	2.36	5.01	.08	1.01	3.66	−1.28	2.56	4.19	.12	1.12	2.75	−1.32
U.S.	3.25	5.14	1.95	1.99	3.94	.66	3.13	4.79	1.27	1.87	3.56	−.05
LEMONS:												
California	4.58	10.58	.04	1.64	7.64	−2.90	4.39	9.36	.24	1.23	6.20	−2.92
Arizona	3.32	8.06	.04	.39	5.13	−2.90	4.41	9.09	.24	1.25	5.93	−2.92
U.S.	4.26	9.96	.04	1.32	7.03	−2.90	4.40	9.30	.24	1.24	6.14	−2.92
TANGERINES:												
Florida	8.80	11.55	3.98	6.23	9.05	1.28	10.66	14.40	3.34	8.10	11.90	.64
California	7.93	11.60	1.20	5.43	9.10	−1.30	5.88	10.20	1.04	3.38	7.70	−1.46
Arizona	6.68	10.40	1.10	3.63	7.35	−1.95	5.84	8.72	1.04	2.79	5.67	−2.01
U.S.	8.18	11.40	2.57	5.56	8.83	−.12	7.92	11.92	1.88	5.30	9.33	−.78
TANGELOS:												
Florida	5.46	7.00	4.64	3.58	5.15	2.74	6.50	8.55	4.50	4.58	6.60	2.60
LIMES:												
Florida	12.44	23.15	2.52	7.88	18.25	−1.73	13.09	21.10	2.32	8.39	16.10	−1.98

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[1] P.H.D.—Packinghouse-door. [2] Excludes Temples. [3] Fresh sales insignificant.

SOURCE: Agricultural Prices, SRS, USDA.

Table 19.—Frozen concentrated citrus juices: Florida canners' stocks, packs, imports, supplies, and movement, current season with comparisons

Item and season	Carryin	Pack		Imports and other supplies		Supply		Movement		Stocks[1]
		To date[1]	Total season	To date[1]	Total season	To date[1]	Total season	To date[1]	Total season	
					1,000 gallons					
Oranges:[2]										
1980/81	57,281	174,537	174,537	68,475	75,081	300,293	306,899	211,100	240,647	89,193
1981/82	68,987	133,294	133,294	74,416	81,611	276,697	283,892	202,294	230,317	74,403
1982/83	53,575	169,577		43,529		266,681		200,302		66,183
Grapefruit:										
1980/81	4,876	20,763	20,763	308	309	25,947	25,948	15,526	17,548	10,414
1981/82	8,404	21,869	21,869	25	33	30,298	30,306	16,938	18,900	13,360
1982/83	11,406	14,483		286		26,175		18,014		8,162
Tangerine:										
1980/81	884	1,174	1,174	25	25	2,083	2,083	1,575	1,628	508
1981/82	455	924	924	19	19	1,398	1,398	949	1,005	449
1982/83	393	334		170		897		742		155

[1] For the 1982/83 season, week ending October 8; 1981/82 October 9; 1980/81 October 10. These respective dates include data through the 45th week of each season. [2] For 1981/82, reported in 42.0 degree brix, previously reported in 43.4 degree brix. The conversion factor ratio from 43.4 degree to 42.0 degree is 1.03970.

SOURCE: Florida Citrus Processors Association.

Table 20.—Chilled citrus products: Florida canners' stocks, packs, supplies, and movement, current season with comparisons

Item and season[1]	Beginning stocks	Pack[2]	Total supply	Season movement	Ending stocks
			1,000 gallons		
Orange juice, (s.s.):					
1980/81[3]	16,714	212,980	229,694	213,759	15,935
1981/82	15,934	181,000	196,934	182,279	14,656
1982/83	14,656	185,150	199,806	182,287	17,519
Grapefruit juice, (s.s.):					
1980/81[3]	2,750	26,023	28,773	26,292	2,482
1981/82	2,482	22,943	25,425	23,224	2,201
1982/83	2,201	20,336	22,537	21,177	1,360
Grapefruit sections:					
1980/81[3]	479	1,895	2,374	1,871	504
1981/82	504	1,579	2,083	1,476	607
1982/83	607	888	1,495	1,069	426
Orange sections:					
1980/81[3]	390	547	937	648	289
1981/82	289	493	782	559	224
1982/83	224	364	588	403	185
Citrus salad:					
1980/81[3]	502	1,585	2,087	1,849	238
1981/82	238	1,705	1,943	1,470	472
1982/83	472	1,235	1,707	1,288	419

[1] Season beginning approximately October 1. [2] Packs of chilled juices include products of fresh fruit and frozen concentrate and excludes reprocessed single-strength (s.s.) bulk. [3] The 1980/81 season incorporates 53 weeks.

SOURCE: Florida Citrus Processors Association.

Table 21.—Canned citrus juices and fruit: Florida canners' stocks, packs, supplies, and movement, current season with comparisons

Item and season[1]	Beginning stocks	Pack	Total supply	Season movement	Ending stocks
			1,000 cases, 24 No. 2's		
Juices, (s.s.):[2]					
Orange:[3]					
1980/81[5]	2,513	13,012	15,525	13,031	2,494
1981/82	2,494	11,503	13,997	11,594	2,404
1982/83	2,404	9,802	12,206	10,792	1,414
Grapefruit:[4]					
1980/81[5]	3,412	14,231	17,643	14,335	3,308
1981/82	3,308	15,725	19,033	14,766	4,267
1982/83	4,266	11,651	15,917	13,495	2,422
Blend:					
1980/81[5]	406	984	1,390	1,051	339
1981/82	339	727	1,066	865	201
1982/83	201	650	851	702	150
Tangerine:					
1980/81[5]	6	9	15	11	4
1981/82	4	6	10	8	2
1982/83	1	4	5	4	1
Canned fruits:					
Grapefruit sections:					
1980/81[5]	288	1,671	1,959	1,552	407
1981/82	407	1,344	1,751	1,364	387
1982/83	388	1,235	1,623	1,160	462
Orange sections:					
1980/81[5]	5	19	24	16	7
1981/82	7	14	21	17	4
1982/83	4	35	39	22	17
Citrus salad:					
1980/81[5]	18	79	97	77	20
1981/82	20	69	89	73	16
1982/83	16	94	110	69	41

[1] Season beginning approximately October 1. [2] Single-strength (s.s.). [3] "Reconstituted canned orange juice," which has never been included in the Association's statistics, is now included with "orange juice." [4] "Reconstituted canned grapefruit juice," which previously has been reported separately, is now included with "grapefruit juice." [5] The 1980/81 season incorporates 53 weeks.

SOURCE: Florida Citrus Processors Association.

Table 22.—U.S. producer price indexes of selected dried and frozen items, by months, 1980-83

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
						1967=100						
Dried fruit:												
Prunes												
1980	266.2	263.7	263.7	261.2	261.2	261.2	261.2	261.2	269.2	275.7	275.7	275.7
1981	273.7	270.7	270.7	272.7	270.7	270.7	270.7	270.7	270.7	270.7	270.7	278.7
1982	278.7	281.7	281.7	281.7	281.7	281.7	281.7	281.7	284.2	284.2	284.2	281.7
1983	NA	281.7	281.7	281.7	NA	281.7	NA	281.7	NA			
Raisins												
1980	443.5	443.5	443.5	443.5	443.5	443.5	445.7	445.7	445.7	450.2	454.6	459.1
1981	459.1	443.5	443.5	443.5	448.0	448.0	459.1	459.1	459.1	459.1	459.1	462.7
1982	462.7	452.4	452.4	452.4	448.0	448.0	448.0	448.0	445.5	454.6	454.6	454.6
1983	NA	450.6	449.8	449.7	NA	450.6	NA	449.8	NA			
Frozen juice:												
Orange, conc.												
1980	260.2	260.2	260.2	254.3	254.3	249.2	249.2	249.2	249.2	249.2	236.5	236.5
1981	231.8	280.2	312.2	338.1	338.1	338.1	338.1	338.1	335.0	335.0	326.3	313.8
1982	312.9	328.8	336.4	328.2	316.5	309.5	309.4	307.1	307.8	307.7	307.5	303.2
1983	304.0	300.8	299.6	299.1	302.3	300.7	301.0	300.8	302.4			

NA = Not available.

SOURCE: Bureau of Labor Statistics, U.S. Department of Labor.

Table 23.—U.S. monthly average fruit prices received by growers, October 1982-83

Commodity and unit	1982			1983									
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Apples for fresh use (cts./lb.)	15.1	14.4	13.7	11.8	12.3	12.8	11.3	11.4	10.5	11.2	14.4	18.0	16.5
Pears for fresh use ($/ton)	215.00	298.00	330.00	298.00	315.00	333.00	326.00	336.00	324.00	—	258.00	321.00	255.00
Peaches for fresh use (cts./lb.)	—	—	—	—	—	—	—	—	25.2	23.8	19.7	20.1	—
Strawberries for fresh use (cts./lb.)	63.3	126.0	—	80.8	80.8	65.0	46.1	47.4	49.2	56.2	68.4	53.7	104.0
Oranges: ($/box)[1]													
Fresh use	10.99	8.37	6.60	4.33	4.08	4.09	3.77	3.56	4.30	6.08	7.32	3.12	2.24
Processing	2.71	3.17	4.11	4.82	4.49	3.40	4.56	4.88	4.36	.01	.04	.04	.04
All	8.81	5.75	4.66	4.74	4.37	3.70	4.40	4.64	4.34	2.96	.07	1.49	.94
Grapefruit: ($/box)[1]													
Fresh use	3.83	3.49	3.50	3.20	2.92	3.32	3.31	3.44	4.19	4.61	4.90	5.10	5.74
Processing	−.54	−.09	.01	.18	.26	.22	—	−.70	−1.21	−1.30	−1.30	−1.30	−1.04
All	2.80	1.91	2.04	1.59	1.29	1.56	1.90	1.97	1.69	1.68	3.35	1.74	4.07
Lemons: ($/box)[1]													
Fresh use	6.85	5.65	4.24	2.37	2.10	2.76	3.05	3.70	7.40	13.90	10.10	9.50	8.56
Processing	−2.92	−2.92	−2.92	−2.92	−2.92	−2.92	−2.92	−2.92	−2.92	−2.92		−2.98	−3.12
All	1.61	1.09	.35	.67	.82	.40	.88	.54	2.74	7.28	4.58	3.63	3.10
Tangerines: ($/box)[1]													
Fresh use	15.30	10.76	9.33	7.47	6.89	7.03	7.21	8.20	—	—	—	—	12.95
Processing	−.20	−.31	−.11	−.27	−1.60	−1.55	−1.58	−1.46	—	—	—	—	−1.75
All	10.65	6.88	5.89	4.23	2.96	3.05	3.11	3.64	—	—	—	—	10.86

[1] Equivalent on-tree returns.

SOURCE: Agricultural Prices, SRS, USDA.

Table 24.—Fresh fruit: Retail prices, marketing margins, and grower and packer returns, sold in Baltimore, seasonal average, 1980/81-1982/83

Commodity and season	Retail price[1]	Marketing margins		Grower and packer returns[2] (f.o.b. shipping point prices)[3]	
		Margins	Percentage of retail price	Returns	Percentage of retail price
	Cents per pound		*Percent*	*Cents per pound*	*Percent*
Apples, Eastern Delicious:					
1980/81	53.9	32.8	61	21.1	39
1981/82	42.3	14.6	34	27.7	66
1982/83	38.9	22.8	59	16.1	41
Apples, Washington Delicious:					
1980/81	54.4	31.4	58	23.0	42
1981/82	63.3	29.8	47	33.5	53
1982/83	62.4	38.0	61	24.4	39
Grapefruit, Florida:					
1980/81	29.6	19.1	65	10.5	35
1981/82	25.1	15.7	63	9.4	37
1982/83	26.9	17.5	65	9.4	35
Lemons, Western:					
1980/81	68.7	46.2	67	22.5	33
1981/82	81.4	56.3	69	25.1	31
1982/83	75.7	51.8	68	23.9	32
Oranges, California Navel:					
1980/81	40.0	26.1	65	13.9	35
1981/82	43.2	24.8	57	18.4	43
1982/83	38.0	23.5	62	14.5	38
Oranges, California Valencia:					
1980	41.0	27.8	68	13.2	32
1981	45.9	30.8	67	15.1	33
1982	50.2	26.6	53	23.6	47
Oranges, Florida:					
1980/81	30.1	17.8	59	12.3	41
1981/82	30.1	17.7	59	12.4	41
1982/83	24.7	12.6	51	12.1	49

[1] Retail prices, Maryland State Department of Agriculture. [2] For quantity of product equivalent to retail unit sold to consumer. Because of waste and spoilage during marketing, equivalent quantity exceeds retail unit. [3] Production area and season: Apples, Eastern Delicious-New York State (Oct.-May); Apples, Delicious-Washington State (Nov.-May); Grapefruit-Florida (Nov.-Apr.); Lemons-California (Aug.-July); Oranges, California Navel (Dec.-May); Oranges, California Valencia (May-Nov.); Oranges-Florida (Nov.-May).

SOURCE: Economic Research Service, USDA.

Table 25.—U.S. exports of selected dried fruits and tree nuts by destination, 1980/81-1982/83

Item and season[1]	Canada	Europe				Japan	Other	World
		West Germany	Other EC[2]	Other	Total			
				Metric tons				
Prunes:								
1980/81	3,257	6,023	23,975	11,010	41,008	5,428	6,724	56,417
1981/82	3,200	6,423	21,956	10,126	38,505	6,458	10,052	58,215
1982/83	3,380	4,159	16,871	10,090	31,120	11,203	7,090	52,793
Raisins:								
1980/81	9,278	5,892	10,304	9,488	25,684	19,073	10,842	64,877
1981/82	7,638	3,400	6,996	9,843	20,239	15,350	12,823	56,050
1982/83	6,562	2,966	6,521	5,925	15,412	17,758	13,688	53,420
Shelled almonds:								
1980/81	2,203	26,045	15,169	8,047	49,261	7,051	13,291	71,806
1981/82	2,675	24,281	15,310	7,678	47,269	8,610	14,230	72,784
1982/83	3,322	13,986	13,951	7,949	35,886	9,900	9,836	58,944

[1] Season beginning 1980/81, September 1; 1981/82-1982/83, August 1, for prunes and raisins, and July 1 for almonds. [2] Belgium-Luxembourg, France, United Kingdom, Italy, Netherlands, Denmark, Ireland, and Greece.

SOURCE: Foreign Agricultural Service, USDA.

A Brief Overview of the U.S. Pecan Industry

by

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Abstract: During 1965-82 U.S. pecan production fluctuated widely, primarily because the crop bears in alternate years. Production costs have increased over the years, but net returns have varied with grower prices and with the sizes of groves. Although exports have shown gains, they remain a small share of the total market. Per capita consumption of pecans has fluctuated widely from year to year without any trend. Grower prices have varied inversely with production, but have increased sharply. A price-estimating equation has been used to identify some key determinants for this upward trend in farm prices.

Keywords: Pecans, production, consumption, use, exports, prices, price-estimating equation.

The pecan ranks third among leading tree nuts grown in the United States. During the last 18 years, its crop value has ranged from a low of $45 million in 1965 to a high of $185 million in 1981 annually (table A). However, the value of production has more than tripled from 1965 to 1982. Although pecans are grown extensively in many States, their production has fluctuated widely during 1965-82. Having undergone dramatic changes, the pecan industry displays a growth pattern that is not as strong as other leading tree nuts.

Since 1965, significant developments and trends have occurred in production, use, consumption, foreign markets, production costs, and prices in the pecan industry. Regression analysis is used to determine important economic factors that influence grower prices.

Table A.—Value of utilized production of tree nuts, 1965-1982

Year	Almonds	Walnuts	Pecans	Filberts	Macadamia
			1,000 dollars		
1965	44,979	34,674	44,951	3,484	1,654
1966	51,911	43,920	46,752	4,780	1,864
1967	44,581	42,640	78,025	3,712	1,964
1968	44,476	61,744	72,093	3,938	2,434
1969	73,932	44,170	67,479	4,072	2,474
1970	80,104	45,324	60,528	5,279	2,868
1971	87,100	57,106	81,286	4,708	3,569
1972	98,125	65,854	77,636	5,157	3,055
1973	199,660	105,820	101,287	7,018	3,092
1974	170,100	65,515	64,741	3,754	5,238
1975	118,400	90,795	98,200	7,388	5,754
1976	184,032	115,165	83,983	4,588	7,007
1977	264,485	139,555	136,459	8,068	8,029
1978	262,450	208,320	151,250	11,321	11,287
1979	575,280	176,176	116,663	12,369	16,769
1980	473,340	184,392	143,269	17,740	24,174
1981	318,240	228,150	184,842	11,550	26,454
1982	322,710	262,080	144,965	12,792	27,136

Wide Production Fluctuation

Although pecans are grown in widely scattered areas of the United States, their commercial production is concentrated in the 11 southern tier States. No accurate data are compiled annually for total nationwide acreage of pecan trees, but the Census of Agriculture collects acreage data every 4 years for these commercial States. The latest available data on pecan acreage and trees are for 1978. Between 1964 and 1978, the total number of bearing pecan trees declined 2 percent, to 5.3 million; however, the number of bearing trees varied widely within the 11 States. For example, Georgia, the leading producer of pecans, accounted for 29 percent of all bearing trees in 1978, up only slightly from 1964. Texas and New Mexico recorded rapid increases. Texas increased its bearing trees by 51 percent between 1964 and 1978; New Mexico showed even more rapid gains, up 379 percent. Texas accounted for 40 percent all U.S. pecan trees in 1978. Arkansas, one of the smaller commercial pecan areas, also showed a slight increase in bearing trees, while all other States recorded declines. However, the number of nonbearing acreage in 1978 has shown sharp increases in several States. Consequently, the variation in bearing acreage among the States will change in the 1980's.

U.S. pecan production fluctuated sharply during 1965-82 because of the crop's alternate-year bearings, and because of year-to-year weather changes. However, when comparing the 5-year average production rate for 1965-69 with the average rate for 1978-82, U.S. production increased 13 percent. Improved varieties kept the lead, accounting for 62 percent of production during 1980-82.

Georgia and New Mexico showed an upward trend in year-to-year production because of increases in bearing trees. Again, comparing the 1965-69 with the 1978-82 averages, production in Georgia advanced 94 percent while the relatively small production in New Mexico increased 167 percent. However, Georgia will remain the leading State in view of sharp increases in nonbearing trees. New Mexico also has additional growth potential because most pecan trees are not yet full-bearing age.

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New varieties have been planted, and the State's geographical location provides a favorable climate. At elevations between 1,500 and 4,000 feet, pecan varieties such as Western Schley do well for commercial nut production. New Mexico's pecans are grown in the State's southeastern sections where dry weather and the use of irrigation offer a long growing season and low humidity reduces disease.

In Texas, certain pecan varieties have traditionally been grown from wild, native trees; consequently, production for these varieties has not shown any trend since 1965. Furthermore, parts of Texas have late spring frosts or early winter freezes that reduce yields. However, thousands of acres of improved varieties have been planted throughout the State each year. These new varieties and a strong grower organization portend larger output in the future.

Statistics on pecans from Arizona and California are limited. In Arizona, one firm owns most of the pecan trees; in California, pecan plantings have been expanded significantly in recent years. Production in the West has increased because of irrigation and better disease control. Moreover, growers have improved their efficiency by controlling the size of trees, thus reducing water and spraying needs, and consequently, harvesting costs.

Production Costs and Returns

Production costs and net returns vary widely among the States because of the size of groves, yield, management, prices, etc. Cost estimates for Georgia and Alabama, leading pecan producing States, are presented below. Because of their overall importance in output, these States represent the production costs and returns for the industry as a whole.

Two studies were chosen from several on production costs and net returns for new and established groves. These studies, prepared by the Department of Agricultural Economics, University of Georgia, present costs and returns for 1978 and 1982, years of widely divergent interest and inflation rates. Irrigated and nonirrigated groves are included because both operations are prevalent in the industry. The results are summarized in table B.

The greater productivity of the irrigated groves results in higher net profits, despite higher production costs. Although estimates of net returns are not available for 1982, they would undoubtedly follow the same basic patterns as in 1978, given variable prices and yields.

The impacts of price and yield variability on net returns per acre are presented in table C. Different yields and prices for 200- and 400-acre farms indicate that the higher the price and yield, the greater the net return.

Table D presents current year costs and returns for an established 250-acre irrigated grove in Alabama. The data were obtained from a recent study by the Alabama Cooperative Extension Service, Auburn University. Allowing for inflation, the cost and profit structure is remarkably similar to irrigated Georgia groves. The similarities help support the allegation that variation in year-to-year returns results primarily from variation in prices and yields.[2]

Table B.—Estimated annual per acre costs for established irrigated and nonirrigated Georgia pecan groves, 400-acre operations, 1978 and 1982

Cost items	Irrigated grove, 1978	Irrigated grove, 1982[1]	Nonirrigated grove, 1978	Nonirrigated grove
	Dollars per acre			
Variable costs				
Pruning	12	(5)	8	(5)
Nitrogen	36	28	23	28
Fertilizer	22	34	22	34
Zinc	11	4	8	4
Lime	15	11	15	11
Pesticides	106	104	37	104
Labor	96	64	32	64
Tractors and machinery[2]	82	148	39	152
Irrigation[3]	34	30	(5)	(5)
Harvest supplies	15	(5)	3	(5)
Cleaning and drying	85	60	38	40
Interest	15	31	8	31
Total variable costs	529	514	246	461
Fixed costs				
Tractors and machinery	92	179	56	179
Irrigation	105	63	(5)	(5)
Land	(5)	74	(5)	74
General overhead	(5)	26	(5)	24
Recapture of establishment and development costs	(5)	481	(5)	387
Total fixed costs	197	823	56	664
Total costs[4]	726	1,337	302	1,125
Net returns	549	(5)	118	(5)

[1]Preliminary estimates for an operation with above-average management and irrigation system. [2]Includes fuel, repairs, and maintenance. [3]Includes electricity, repairs, and labor. [4]Values may not add because of rounding. [5]Comparable data not available for these cost items.

SOURCE: University of Georgia, College of Agriculture.

Table C.—Net returns per acre of established pecan groves under good management, with varying prices and yields, 1978

	Price per pound		
Yield per acre	$.40	$.60	$.80
Pounds		*Dollars*	
		200-acre grove	
500	−127	−27	73
700	−47	93	233
900	33	213	393
		400-acre grove	
500	−102	−2	98
700	−22	118	258
900	58	238	418

SOURCE: University of Georgia, College of Agriculture.

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[2] J.R. Allison and J.E. Eperson, "The Economics of Producing Pecans from Estimated Groves." College of Agriculture, University of Georgia, Research Report 300, (November 1978), p. 13.

Table D.—Estimated annual per acre costs for an established irrigated Alabama pecan grove, 250-acre operation, 1983

Cost items	Costs
	Dollars per acre
Variable costs	
Ammonium nitrate	30
Potash	5
Lime	12
Insecticide	110
Fungicide	96
Herbicide	26
Pruning	41
Pecan cleaning	36
Irrigation	85
Machinery	61
Tractors	7
Interest on operation capital	29
Total variable costs	538
Fixed costs	
Machinery	78
Tractors	8
Prorated establishment costs	144
Labor	42
Total fixed costs	272
Total costs	810
Net returns	541

SOURCE: Auburn University, the Alabama Cooperative Extension Service.

Foreign Trade—A Small Share of the Market

A small percentage of the U.S. pecan crop is exported. Exports showed no trend during 1965-79 and ranged from a low of 3.9 million pounds in 1967 to a high of 9.6 million in 1978. Since 1979, however, exports have trended upward with a record 16 million pounds exported in 1982, which is nearly 2.5 times the amount exported in 1965.

Principal outlets for U.S. pecans are Canada, West Germany, Mexico, Sweden, Switzerland, and Australia. Canada, the leading customer, received about half the pecans exported from the U.S. during 1978-82, however, this was much less than their 1965-69 average of 67 percent. Mexico also has purchased relatively large quantities, receiving almost 9 percent of our shipments during 1978-82. Pecan production in Mexico has steadily decreased after it reached a record 33,800 metric tons in 1979. The 1982 pecan crop in Mexico marked the third consecutive year of declining production, which fell to 18,000 metric tons. This was primarily because of poor kernel maturation, but also because of Mexico's strained financial situation—Rural Development Project (PIDER) funds formerly allocated to the nut industry are now being used to cultivate basic foods under the Mexico Food System (SAM). With these PIDER funds no longer available, and with the U.S. dollar currently strong, it is likely that neither Mexican pecan plantings nor U.S. exports to Mexico will increase appreciably in the near future.

Shipments to the European Community (EC), as well as to other parts of the world, have shown a sharp gain. For example, increasing exports have been shipped to West Germany, the Netherlands, Sweden, Switzerland, Spain, and Italy. In all, shipments to Europe accounted for 31 percent of total U.S. pecan exports during 1978-82. The United States has opened a market in the Mideast. Saudi Arabia recently purchased a large quantity of pecans. Even some pecan-producing countries, such as Australia and South Africa, have become U.S. export outlets. In Australia, pecan production is primarily geared to domestic market requirements, but continues to expand. In South Africa, the industry is small, but shows growth potential. The United States is the major pecan producer; U.S. technology and capital are known to have fostered foreign production, which still depends upon U.S. involvement.

The United States will continue as the leading pecan-producing country; our export market looks promising, but needs much promotional work. In the world market, the competition between pecans and other tree nuts, such as almonds and walnuts, will intensify.

Pecan imports, mostly from Mexico, constitute only a small part of the U.S. supply, but have increased during the last several years. During 1965-82, imports hit a 12,625-pound low in 1975 and reached a record 4.1-million-pound high in 1977. After 1977, imports fluctuated from 1.7 million pounds in 1979 to 3 million in 1982.

Consumption and Use

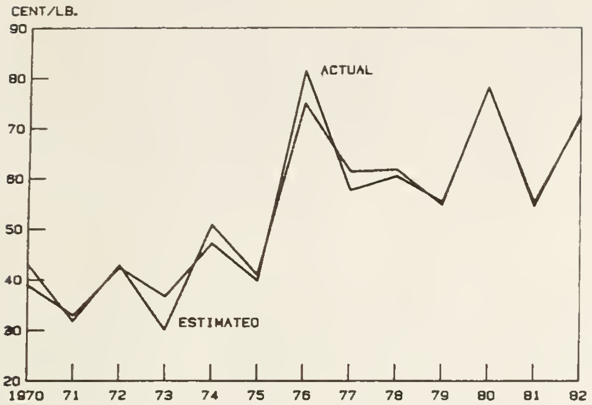
Because of the alternate-year bearings of pecan crops and the small level of imports, per capita consumption fluctuates widely from year to year. Annual per capita pecan consumption during 1965-81 ranged from a 0.52-pound high in 1965 to a 0.29-pound low in 1976. The 5-year average per capita consumption dropped from 0.428 pounds during 1965-69 to 0.360 pounds by 1977-81—a decline of 16 percent. However, competition among domestic tree nuts has held per capita consumption for all tree nuts relatively stable. Consumption of both almonds and walnuts increased, raising their shares of total tree nut consumption. Consequently, the share for pecans has decreased. Average per capita pecan consumption during 1977-81 accounted for 21 percent of total tree nut use, compared with 24 percent during 1965-69. The decline for pecans comes partially from limited growth in supplies, while the increase for almonds and walnuts can be associated with increased production, newly introduced products, and aggressive promotion to a certain extent.

Pecans are used largely as ingredients for other finished products rather than consumed directly in shelled form. According to the latest survey on marketing of pecans by USDA's Economic Research Service in 1974, bakeries led in the use of pecans, and confectioneries ranked second. Together, these two outlets used more than half the shelled pecans. Other outlets comprised ice cream manufacturers, gift packers, and mixers and salters. Although the survey was taken 10 years ago, it may still accurately measure pecan outlets. A similar survey is planned for 1984.

Determinants of Pecan Price Trend

Grower prices for pecans vary inversely with production patterns governed by alternate-year bearings. As a result, prices fluctuated widely during 1965-82. Prices are relatively higher for the improved varieties than for the native or seedling pecans. Prices for both improved and native seedling pecans averaged only 17.9 cents a

PECAN: SEASON-AVERAGE GROWER PRICES



pound in 1965 and reached a record 81.5 cents in 1976, reflecting the smallest crop during the period. Prices remained relatively high through 1982. Comparing 1965-67 with 1980-82 averages shows that grower prices increased 155 percent. To identify some of the major determinants for this upward price trend, an equation for grower prices was formulated and can be used to estimate future prices.

The criterion for variable selection in the price equation was the anticipated influence on grower price based on economic theory. Because the model is in reduced form, and not in structural form, one should be careful in interpreting this equation. All market levels and supply and demand functions have been collapsed into one equation. As a result, the reduced form coefficients associated with each variable will reflect both supply and demand at many market levels.

The price equation was estimated for the 1970-82 period. The explanatory variables chosen are beginning stocks for pecans, domestic production, per capita disposable income, and U.S. walnut price. Based on the 13 years of data, the equation is:

$$\begin{array}{llll} PRGP = 67.0679 & -.000259*STKN & & \\ \quad\quad\;\; (9.443) & \quad (-4.388) & & \\ -.578*PROD & +\ 8.872*YPDN & +\ .108*WALP & \\ \;\; (-8.309) & \quad\;\; (6.522) & \quad\;\; (2.749) & \end{array}$$

$R^2 = .93$ D.W. = 2.701 Standard error of regression = 4.135

Where:
PRGP = Grower prices of pecans—all (/lb.);
STKN = Beginning stocks for pecans, in-shell basis (1,000 lbs.);
PROD = U.S. commercial pecan production, in-shell basis (1,000 metric tons);
YPDN = Per capita disposable income (actual);
WALP = Walnut price. ($/lb.)

The "t" statistics are shown in bracketed terms.

Every coefficient in the equation has the expected sign. The reduced form elasticity (evaluated at the means) indicates price decreases by 4 percent for a 10-percent increase in beginning stocks and 10 percent for a 10-percent increase in domestic pecan production. In contrast, disposable income is positively related to price and a 10-percent increase in disposable income raises price by almost 10 percent. Walnut prices increase grower price by 2.5 percent for a 10-percent increase.

A comparison of the estimated and actual values is shown on the accompanying graph. The estimated equation appears to simulate the historical period quite well. An underestimate of 6.6 cents during 1973 is the largest error for the simulated historical period.

This model may prove useful for three reasons. First, we have determined that domestic pecan production, beginning stocks, per capita disposable income, and walnut price influence pecan prices. Second, analysts may wish to hypothesize future levels for the explanatory variables and then forecast price with this model. Third, analysts may also wish to use the reduced form elasticities when reviewing specific marketing alternatives.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1983-420-930:ERS-48

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